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# Korean Affairs Report

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24 January 1984

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## INTER-KOREAN AFFAIRS

### YONHAP REVIEWS NORTH-PERPETRATED RANGOON BLAST

SK230052 Seoul YONHAP in English 0034 GMT 23 Dec 83

[Text] Seoul, 23 December (YONHAP)--The terrorist bombing in Rangoon on 9 October that killed 21 people, including 4 South Korean cabinet ministers, is said to be the worst event affecting the Korean peninsula since the Korean War.

The bombing, aimed at assassinating South Korean President Chon Tu-hwan and his entourage, made it clear to the world that North Korea is a terrorist group and does not want peace on the Korean peninsula, political observers said.

North Korea plotted the bombing out of fear that the Seoul government's diplomatic successes would isolate it from the international community, they said.

Despite North Korea's persistent obstruction, South Korea has obtained substantial diplomatic success in the international community. The successes include hosting the October meeting of the Inter-Parliamentary Union General Assembly in Seoul, the 1986 Asian Games and 1988 Summer Olympics also scheduled for Seoul.

Seoul's diplomacy toward non-aligned Third World nations succeeded in making many pro-Pyongyang countries, including Burma, move closer to South Korea, they said.

They agree that North Korea's fear reached a peak when President Chon's plan to visit Burma and four other countries was announced.

North Korea's brutal attack brought forth worldwide indignation and condemnation not only from the free world but from non-aligned Third World nations.

Burma, a socialist country that traditionally has sided with North Korea, took the toughest diplomatic sanctions possible against Pyongyang by severing all relations with Pyongyang and canceling its recognition of North Korea as a state.

Burma's strong measure was followed by Costa Rica, thereby accelerating North Korea's isolation from the international community.

Costa Rica cut its diplomatic relations with North Korea. Pakistan, once a close friend of North Korea, established diplomatic ties with South Korea in the wake of the Rangoon incident. Observers said Pakistan seemed to have decided to distance itself from Pyongyang by establishing ambassadorial-level relations with Seoul.

Following the Burmese announcement on 4 November that the captured North Koreans were responsible for the bombing attack, 19 other countries issued statements condemning North Korea. Four more countries adopted anti-Pyongyang parliamentary resolutions.

Many other countries have taken sanctions against Pyongyang or condemned North Korea outright. The United States and Japan have banned contacts between their officials and North Korea's diplomats, while Australia has decided not to reopen diplomatic relations with Pyongyang.

The Rangoon bombing also affected domestic politics. On 14 October, President Chon made a sweeping reshuffle of South Korea's cabinet, replacing Prime Minister Kim Sang-huop with Chin I-chong and ten other cabinet ministers.

The Rangoon bombing frustrated the hope for peaceful unification through South-North dialogue and heightened the tension on the Korean peninsula more than at any other time.

Despite the Burma incident, Seoul maintains its policy of peaceful unification through dialogue and is exerting diplomatic pressure on North Korea to come to the negotiating table, they said.

CSO: 4100/042

## INTER-KOREAN AFFAIRS

### BRIEFS

TURKEY RESCINDS DPRK TRADE PROTOCOL--Seoul, 31 December (YONHAP)--Turkey has rescinded its protocol on private trade with North Korea in response to the communist country's 9 October bombing murder of 17 leading South Korean government officials and 4 Burmese in Rangoon, Burma, it was learned here Saturday. The protocol was signed by the Turkish Commerce and Industry Federation and the International Trade Promotion Committee of North Korea in 1977. According to a report from the Korean embassy in Turkey to the Foreign Ministry here, the Turkish Federation Friday notified North Korea of its revoking of the agreement. In a statement issued in November, Turkey condemned North Korea for its terrorist bombing in Rangoon and denounced the communist regime for the incident at the Legal Committee meeting of the UN General Assembly this fall. [Text] [SK310642 Seoul YONHAP in English 0631 GMT 31 Dec 83]

CSO: 4100/042

S. KOREA/POLITICS AND GOVERNMENT

FORMER PRESIDENT INTERVIEWED ON POLITICAL ISSUES

SK020840 Seoul CHOSON ILBO in Korean 1 Jan 84 p 3

[Interview with former President Yun Po-son by editorial staffer Yu Kun-il, director of the Political Department Kim Tae-chung, and vice director of the Social Affairs Department Kim Myong-Kyu--date and location of interview not specified]

[Excerpts] [Passage on political failure of Syngman Rhee regime, and feud with Pak Chong-hui regime omitted]

[Question] The present government stresses reconciliation and we know that you have emphasized the settlement of problems through dialogue. Do you think the present politics are advancing along a smooth road through reconciliation and dialogue?

Yun: The answer is yes and no. I mean that something is being achieved but not as much as we desire. When I first met President Chon Tu-hwan after he came to power, I proposed dialogue over the future. He agreed with me. I was grateful for that. Every time I met President Chon, I asked him to release those detained. This was because doing so would be a help to the country and, for conscience sake, I thought, since I suffered less, I should do what I could do to help their release. It was somewhat belated but it was good that the government, on the eve of the new year, granted amnesty for those detained. At any rate, the government must not think that it has now done everything it should do. It must double its efforts so that similar things will not recur. Also, people must take the government step as a bona fide one and as an opportunity for mutual understanding.

[Question] In the wake of the large money market scandals, the Korean Airlines' passenger plane incident, and the Rangoon bomb terrorism, the people's sentiment once seemed to be up in the air. Amid this, you said that you would visit Chongwadae to discuss measures for the settlement of the situation. What were you going to suggest?

Yun: I thought that the government should make active efforts to appease the people's sentiment, and that I should help unify the people and the government, and help create a government supported by the people, because, in contrast to the time of the Pak regime, dialogue is possible with President Chon. I do

not mean that dialogue is possible to a complete degree. I think that, since we are living under the present regime, we must make effort to prevent it from going astray and try to correct government errors through dialogue.

[Question] If that is your idea, we think that you are frequently in conflict with those offstage politicians who maintain hardline stands. What is your opinion?

Yun: It appears that those who once struggled with me are criticizing me for not participating in the ongoing struggle. However, if their denunciation and criticism of the government is for the nation, they must seek dialogue before struggle. Continuing to say the present regime is wrong, while seeking nothing, is no good. Struggle is not always the best way. We must struggle only when we think it is the only way. If my comrades or the people have any other choice and the majority of people support them, maybe, we have to follow them. Otherwise, we must ponder whether overthrowing the present regime would be good or bad for the nation. In this regard, we must try to properly overcome the present difficulties. This is not for any individual, President Chon or Mr Chin Ui-chong.

These days, I am particularly concerned about the question of students. The government seems to be not so serious, considering that those who create problems are only a minority of the students. My opinion, however, is different.

Ever since the time of the Liberal Party and through the times of the Democratic Party and the Democratic Republican Party, the student demonstration has continued for about 30 years. In this course, many young students have been sacrificed. This is a tragedy.

Nevertheless, the government still says it has done everything it can do and students simply refuse to seek dialogue. If things continue like this, what about the future of the nation? The country will lose and the students will lose, too. The government should reconsider the question.

No matter which side may be right, we must put an end to the campus issue. The government must seek dialogue with students with the determination to try a thousand times, if necessary, and the students must act correspondingly. This is the only way.

Since you returned from your overseas visit last year, you have stressed unity many times. What exactly do you mean by stressing unity?

Yun: For unity, the government must do all it can do to love and take care of the people. If the government shows virtue toward the people, the people will share joys and sorrows with it and unite with it.

[Question] Our country has almost \$40 billion of foreign debts. What is regrettable, however, is that the leading circles and the government seem to lack the will or make an effort to overcome this problem.

Yun: I think that people themselves should do something they can do. During World War I when England was suffering because of the German blockade's hampering of food imports, the citizens of England exercised astonishing self-control in overcoming the situation. In those frightening circumstances of having to send children below the age of 10 to Canada, they united behind a coalition government of the ruling and opposition parties. We must learn from that.

[Question] We see no improvement in the relations between the North and the South. What do you think about the prospects for North-South relations?

Yun: Presently, there is no remedy. I think we need much time to settle the North-South question. The North Koreans have carried out ideological education for more than 30 years. Thus, we can assume that there is a strong force following Kim Il-song. In this regard, I cannot but worry about the intensity of our anticommunist sentiment.

When an incident occurred 21 January 10 years ago, there were rumors about the flight of people's assets to Taegu or the Pusan area and the provisioning of vessels to flee to foreign countries. As in the past, North Korean armed commandos never surrender, even if they have to kill themselves or starve to death. This shows the seriousness of our problems.

In dealing with this kind of communist group, what is important is spiritual readiness, not the number of troops or the military preparations.

[Question] Looking back over the past year, we think that our people need something to encourage them. What can people base their hope on in the new year and in what direction should they move?

Yun: People's unity is most important. Unity will help solve the defense and economic problems.

If no unity is achieved, military strength will be useless, no matter how strong it may be. If something happens, the military cannot stand alone. The people will have to support the military front from the rear.

[Question] What do you think about the present ruling and opposition parties, and the press?

Yun: Considering the prevailing international situation, our relations with North Korea, and the sentiment of the people, I think that politicians, before anyone else, must establish a correct outlook on the situation and prepare themselves to deal with it. They must not persist in the interests of their parties nor should they hold on to the ambition to stay in power. The ruling and opposition parties must seek the interests of the nation, disregarding the interests of their parties.

It is difficult to say the press is presently doing well. Therefore, I think that it is desirable for the government to loosen the control over the press. Rumors spread about things which are not reported by the press. We must do away with this kind of phenomenon as soon as we can. [Passage omitted on personal anecdote]

S. KOREA/POLITICS AND GOVERNMENT

ROK DAILY REGRETS LACK OF GOVERNMENT ACTION

SK311259 Seoul CHOSON ILBO in Korean 31 Dec 83 p 2

[Editorial: "End of the Year 1983: We Write This Article for our Contemporary Friends Who Lived a Year Together with Us"]

[Excerpts] The year 1983 is drawing to its end. We ordinary and obscure people, too, have some feelings as a new year is about to come in. [Passage omitted on various incidents which occurred in 1983 such as the KAL plane incident, the bombing incident in Rangoon, and money-related scandals]

Looking back upon past events, we find the politically-related ones most important. We do not, however, have much to recall about politics as far as 1983 is concerned except for such awkward coined word as "recent matters of our concern" and the settlement between the rival parties over revision of the National Assembly laws. One of the political parties' leaders said that the gold badge symbolizing membership of the National Assembly no longer appears to be an attractive item. It is true.

Nevertheless, one should not make a hasty judgment of the people's apathy for politics. They are indifferent to politics because politics, political parties, and politics in the National Assembly appear to be following the tail of the administration. Perhaps if politics displayed a leading ability to solve things, people would have no reason to remain apathetic to politics.

People's concern for politics has been fully expressed when the government announced measures aimed at liberalizing campus affairs. The people clearly are interested in reconciliation and in thawing measures. They also earnestly hope and thirst for democratic processes and democratic dialogue.

It is regrettable that the government has not been generous in dealing with the reinstatement of dismissed professors and in providing them opportunities to return to their old jobs and, in particular, in dealing with the ban imposed on former politicians.

CSO: 4107/058

S. KOREA/POLITICS AND GOVERNMENT

POSSIBILITY OF FORMATION OF NEW PARTY DISCUSSED

SK311148 Seoul HANGUK ILBO in Korean 31 Dec 83 p 2

[From the column "Political Scene"]

[Text] In connection with the recent move on the part of those politicians who were freed from the ban against forming a political club, whose name remains anonymous, the DKP does not rule out the possibility of forming a new political party, while suspecting that some influential off-stage opposition personages would prefer the DKP to a new political party.

On 30 December, DKP President Yu Chi-song said: Our party is fully ready to welcome the off-stage opposition personages into its bosom. But we do not need to form a special panel within the party to deal with those who want to come to our party.

Yi Tae-ku, DKP Vice President, also said: Former politicians will find a broad, open door to our party and will find no obstacles whatsoever. Thus, he welcomed whoever wants to join the DKP.

Yu Han-yol, DKP Secretary General, said: We do not rule out the possibility that there might be a third party in the offing, but, in view of past experience, I can say that the third party will not bear fruit.

He continued: Since the leading class personages of old opposition parties are people of political sense, they will not join any third party which the people do not want.

Meanwhile, President Yu ordered his party members, who were preparing for a meeting in which party members wish happy new year to each other, to postpone it by 30 minutes from the scheduled 0900, lest such an early meeting should cause inconvenience for them in their individual New Year's Day schedules.

CSO: 4107/058

S. KOREA/POLITICS AND GOVERNMENT

YEAR-END GATHERINGS OF OFFSTAGE POLITICIANS NOTED

SK300914 Seoul CHOSON ILBO in Korean 30 Dec 83 p 3

[From regular column "News Behing News"]

[Text] While the political circles are moving inward hoping for an additional lifting of the political ban in the new year, offstage politicians, too, in the name of bidding farewell to the closing year, held gatherings, thus drawing people's attention.

Former members of the defunct New Democratic Party, Hwang Nak-chu, Chong Chae-won, Yi Pil-son, Kim Yong-pae, Kim Tong-uk, Kim Yu-dok, who all once served as lawmakers of the 10th National Assembly, held a year-end gathering of freed politicians on the evening of 28 December. They met again at a hotel on the following morning to discuss their future. Meanwhile, Yi Chol-sung, former representative of the defunct New Democratic Party, who is still under the political ban, hosted an evening gathering on 28 December commemorating those anti-communist students who opposed placing Korea under trusteeship.

Those freed from the political ban planned to announce the formation of a club of freed politicians in a press conference. However, Mr Pak Yong-man, the eldest among them, urged prudence. Accordingly, they decided to postpone it. However, people's attention is directed to their future moves, because, according to Mr Chong Chae-won, they all agreed that those freed from the political ban must act uniformly in setting out on the road of politics again.

At the gathering hosted by Mr Yi Chol-sung at which about 200 people were present, a considerable number of DKP, KNP, and independent lawmakers showed up. Perhaps, it was because of the unique nature of the gathering. At the gathering, opinions over the future political situation were expressed. However, the opinions greatly varied, they say.

CSO: 4107/058

## S. KOREA/POLITICS AND GOVERNMENT

ROK DAILY REFLECTS OVER THE YEAR 1983

SK310135 Seoul THE KOREA HERALD in English 31 Dec 83 p 1

[Editorial: "Reflections Over 1983"]

[Text] In spite of a series of grave and heinous incidents at home and abroad, our Republic has successfully weathered a variety of crises in many areas of national life in the eventful 1983, which comes to a close today.

Having been driven into hapless quandary, internal as well as external, coupled with the advancing status of our Republic in the international community, the North Korean communists stepped up their provocations, culminating in the brutal massacre of our government leaders in the terrorist attack in Rangoon.

Their abortive schemes to infiltrate armed agents into South Korea continued to intensify in a psychopathic attempt to undermine our preparatory work to host the forthcoming Asian Games in 1986 and the Olympics in 1988.

Quite a number of those North Korean infiltrators turned their backs on their communist rulers in Pyongyang upon arrival in the south, and a MIG fighter pilot landed to a nationwide welcome at one of our air bases in a daring flight to freedom.

Another event that eloquently attests to the brutality and cold-heartedness of the communists which ignited worldwide indignation was the Soviet shooting down of a Korean Air Lines aircraft with missiles over Sakhalin.

The international political arena, dominated mostly by two opposing powers representing the East and West, was not without tragic atrocities and nagging dispute, either. Restive and stubborn negotiators from the Soviet Union have at least driven the years-long talks on limiting nuclear forces to a deadlock, thus contributing to heightened world tension.

In the United Nations, which may rightfully be regarded as the brainchild of the United States that came into being after World War II, its ability to handle crises and international disputes continued to wane, with Washington deciding to withdraw from one of its most celebrated organizations, the UN Educational, Scientific and Cultural Organization.

The lingering terror of shooting hostilities has not shown a sign of amelioration in the crisis-ridden Middle East, Lebanon in particular. In the midst of a succession of such discouraging events detrimental to the worldwide search for a lasting peace, however, noteworthy achievement and progress have been made in the political, economic and various other fields of our national endeavors.

Successfully playing host to such large-scale international congregations of importance as the American Society of Travel Agents and the Inter-Parliamentary Union, we have succeeded in demonstrating to the entire world that we in the Republic of Korea are ready to join the ranks of the advanced countries before long, despite the ever-growing menace of subversion and terrorism from the Communist North.

The nation's political stability and confidence in the potential and willingness of our general public was well evinced by a generous but resolute measure taken by the government a week ago to grant amnesty and reinstatement to students involved in previous campus disturbances.

The most encouraging accomplishment we can be duly proud of is the incredible 0.8 percent drop in the wholesale price index in the past year, for the first time in 25 years. This is indeed a remarkable feat beyond the popular imagination of a nation that had been harassed by the chronic evil of inflation and upward price spirals.

The nation's export target of \$23.5 billion for the year was attained despite unfavorable market conditions abroad. We must also note the passage of the national budget bill for 1984 which envisages a surplus of revenues over expenditures for the first time since the birth of the Republic.

But this is no time for us to rest on our laurels. Far from contented with what we've accomplished, we had better prepare to meet the new year, which may turn out even tougher.

CSO: 4100/041

S. KOREA/POLITICS AND GOVERNMENT

ROK DAILY PRAISES CHON'S LEADERSHIP

SK300127 Seoul THE KOREA HERALD in English 30 Dec 83 p 4

[Editorial: "President Chon's Leadership"]

[Text] This year saw the Korean Peninsula gain considerable international attention as a flash point of potential danger, probably unmatched since the devastating 1950-53 Korean War. This reality is reflected in the year's top 10 international news stories that included two events involving Korea.

Almost calping the list was the Soviet destruction of an unarmed civil jetliner, KAL Flight 007, while another of the top 10 was the Rangoon bombing massacre perpetrated by North Korea.

All this bespeaks how precarious and trying are the times in which we live. To be blamed are the geopolitical situation of the Korean Peninsula and the unpredictable communist troublemakers in its northern half.

In spite of such circumstances this republic has made steady economic growth on the strength of its economic, social and political stability. The nation's economic growth rate is expected to reach nine percent this year despite the generally sluggish world economy.

The nation has already surpassed the year's merchandise export target of \$23.5 billion while keeping commodity prices at a near-zero growth rate. These economic performances have been made possible by the high standard of our security preparedness which has kept the north's formidable challenges in check. Despite provocations by communist North Korea, security in the Republic of Korea is rated among the best worldwide for tourists.

The other day President Chon Tu-hwan told his close aides that being Korea's Chief Executive means sacrificing time that might otherwise be used for personal hobbies or family activities, for the good of the nation. Underscoring this are statistics released by Chongwadae that show how President Chon has allocated so much of his time to carrying out his duties.

This year he had made official travels totaling 142 days, covering a total distance of more than 18,000 kilometers. Some 70 such trips were made without prior announcement, and 22 others at night or during predawn hours.

This speaks well of his devotion to his duties in a manner putting practically before formalities. He has made it his working style to make on-the-spot checks using all his available time. It is belief that such an approach is necessary for a developing country like Korea.

Most of his outings at odd hours have been made to check the nation's security preparedness as well as the livelihood of common citizens such as vendors, the needy and city bus guides. Conspicuous visitors to Chongwadae have been relatively underprivileged people and farm leaders.

We share the working philosophy of President Chon who believes that popular harmony is a prerequisite to tapping national potential, thus enabling us to effectively cope with challenges both at home and abroad.

The recent granting of leniency and amnesty to convicts and the reinstating of ousted college students are part of his efforts to stimulate national reconciliation which he says is instrumental to achieving the goal of making Korea an advanced country.

Given the exceptionally harsh reality our country faces, our capability for crisis management is especially in order. For without such a capability we can hardly deter challengers, a factor that is essential to insure stability which in turn is prerequisite to continued prosperity.

President Chon displayed his crisis management ability and leadership during the aftermath of the bombing attack in Rangoon and the KAL mishap. The two tragic incidents have further strengthened our capability to cope with crisis, thereby heightening our resolve and confidence. The nation will continue to march toward prosperity under the able leadership of President Chon.

CSO: 4100/041

S. KOREA/POLITICS AND GOVERNMENT

TEN FORMER POLITICIANS PROMISE TO ENTER DKP

SK240043 Seoul THE KOREA HERALD in English 24 Dec 83 p 1

[Text] About 10 former politicians have promised to enter the leading opposition Democratic Korea Party (DKP) which is now endeavoring to enlist former "political outcasts" as its members.

A senior officer of the party said yesterday that 10 politicians, mostly former lawmakers, already expressed their intention to join the party.

They include Hwang Nak-chu, Chong Chae-won and some others who were allowed to resume political activities last February. Hwang was formerly the floor leader of the now-defunct New Democratic Party.

The others are still prohibited from conducting political activities. "But they agreed to enter the party if they were freed," he said.

There are rumors that the government would lift the ban on former politicians soon. There are about 300 persons who are still under the ban.

"Leading officers of the party have had frequent contact with them to invite them to join the DKP since the end of the regular National Assembly session 16 December," he said.

To admit them, the party is said to have decided to nominate them as candidates for the next parliamentary elections instead its incumbent lawmakers on a case by case basis. The general elections are expected to be held in early 1985.

The party is considering appointing one of them as vice president and assigning 274-member National Assembly, while the ruling Democratic Justice Party maintains 151 seats.

The party is believed to have made contact with at least five independents recently to enlist them as its members. Among them are Reps Chong Sun-hyong and Sin Sun-pom.

CSO: 4100/041

S. KOREA/POLITICS AND GOVERNMENT

YONHAP REPORTS VARIOUS GOVERNMENT APPOINTMENTS

SK260720 Seoul YONHAP in English 0709 GMT 26 Dec 83

[Text] Seoul, 26 Dec (YONHAP)--In a major reshuffle of some 200 ranking officials, the government Monday appointed Song Hae-ki, a graduate of the National Defense College (NDC), as vice mayor of Pusan and named Yi Kyong-ho, formerly a secretary at the prime minister's office, as vice mayor of Taegu.

Paek Se-hyon, an NDC graduate, was appointed vice governor of Kyonggi Province, while Pak Sung-won, director of planning and management for the Pusan City government, became vice governor of North Chungchong Province.

Mun Chang-su, an NDC graduate, was named vice governor of South Chungchong Province.

Ku Yong-sang, director of the Forestry Administration at the Forestry Office, became vice governor of North Cholla Province, while Kwangju Mayor Kim Yang-pae was promoted to vice governor of South Cholla Province.

Hwang Kwi-om, an NDC graduate, was promoted to vice governor of North Kyongsang Province, and Pak Chin-ku, director of the Anti-Fire Bureau at the Home Ministry, became vice governor of South Kyongsang Province.

The government also named Yi Kun-po, mayor of Cheju, as vice governor of Cheju Province, and ordered Kwon Hui-taek, mayor of Chongju, to become mayor of Taejon.

Om Tae-hyon, a director at the Forestry Officer, became the Kwangju mayor, while Chi Hon-chong, director of planning and management at North Chungchong Province, was transferred to Chongju mayor.

Choe Yong-pok, director of planning and management, North Cholla Province, was ordered to assume the Chonju mayorship while, Kim Chu-pong, director of planning and management, South Chungchong Province, was named as mayor of Cheju.

CSO: 4100/041

S. KOREA/POLITICS AND GOVERNMENT

REPORTAGE ON MYONGSONG TRIAL, SENTENCING

Prison Term Demanded

SK220105 Seoul THE KOREA HERALD in English 22 Dec 83 p 8

[Text] The prosecution yesterday demanded a 15-year prison term for Kim Chol-ho, former chairman of the Myongsong Group, for his alleged role in the Myongsong loan fraud scandal.

Prosecutors also sought 10-year jail terms for Yun Cha-chung, former minister of transportation, and Pak Chang-kwon, former director of the Construction Ministry's National Land Development Bureau, on charges of accepting bribes from Kim Chol-ho.

They asked for a 12-year imprisonment term for Kim Tong-kyom, former assistant manager at the Kyehwa-dong branch office of the Commercial Bank of Korea, for embezzling 106.6 billion won in bank loans in conspiracy with Kim Chol-ho.

Apart from the four key defendants, prosecutors demanded prison terms ranging from one to five years for the remaining 17 defendants.

For the 22nd defendant, the South Pacific Leisure Town, a Myongsong subsidiary, a line of 9.3 billion won was demanded for tax evasion.

The demands were made at the 10th trial for the 22 people involved in the loan fraud scandal which surfaced late in August.

Kim Chol-ho was charged with bribery, conspiring to embezzle, tax evasion and violation of the law governing the tourism industry.

Prosecutors demanded that Kim also be fined 9.35 billion won.

Reading from a summation of indictments, senior prosecutor Yi Won-song said that Kim should be punished severely because he masterminded a loan fraud scandal unprecedented in scale in the nation's history.

"Kim's crime shook the nation's financial establishment, dealt a severe blow to the image of the nation's banking institutions and caused numerous problems in every aspect of the country's economy," the prosecutor said.

Prosecutor Yi accused Kim, 44, of failing to show due repentance for what he had done by trying to absolve himself from the crime.

At the same time, the prosecutor said Kim Tong-kyom should also be given the maximum punishment allowed by law for his alleged crime.

Kim, 39, is accused of making illegal business loans amounting to 106.6 billion won to Kim Chol-ho by forging banking documents during the past three and a half years since April 1979.

Prosecutor Yi also argued that Kim Tong-kyom has been engaging in "despicable acts" by denying the charges levied against him in court.

Meanwhile, the prosecutor said that Yun Cha-chung must be punished harshly as bribery is not only a crime but also against the government's desire to create a clean officialdom.

"Heavy punishment should fall on Yun to make sure that anyone who betrays the people's aspiration for a clean society under the Fifth Republic will not go unpunished," Prosecutor Yi said.

In addition to Yun, the prosecutor said, 10 other government officials involved in the scandal should be punished without fail for their involvement in the fraud.

The ten defendants are Pak Chang-kwon, 54, Kim Chong-mun, 44, No Si-hak, 46, Song Kun-sun, 49, all former officials at the Ministry of Construction; Song Ki-yong, 46, Peak Chol-ki, 46, Cho Kyu-hwan, 48, all former officials at the Ministry of Transportation, and Chong Chun-si, 47, Yi Chun-mo, 48, and Choe Song-chol, 49, all former officials at the Kyonggi-do and Kangwon-do governments.

The prosecution demanded that Kim No, Song and Song be sentenced to four years in jail, and Cho Chong to two years in prison.

A sentence of one year in jail was demanded for both Yi and Choe.

In his final testimony, Kim Chol-ho said he felt "very sorry" for causing the controversy in connection with the scandal and that he is praying everyday for Yun and 10 other former government officials implicated in the scandal, among others.

Yun, meanwhile, said he couldn't find words to express his regret over his involvement in the controversial case.

Senior Judge An U-man, who presided over the court session, scheduled the next trial for 28 December during which it is expected to hand down sentences for the defendants.

### Myongsong Defendants Sentenced

SK280709 Seoul YONHAP in English 0617 GMT 28 Dec 83

[Text] Seoul, 28 Dec (YONHAP)--A district court Wednesday handed down a 15-year prison sentence for Kim Chol-ho, a leisure-industry tycoon, who had been charged with misappropriating more than 130 million U.S. dollars in collaboration with a banker.

The court also sentenced to seven years in prison former Transportation Minister Yun Cha-chung, who had been accused of receiving 81.8 million won (102,200 U.S. dollars) in bribes from Kim in return for favors.

Meanwhile, Kim Tong-kyom, a former employee of Seoul's Commercial Bank of Korea, was sentenced to 12 years in prison. He was accused of falsifying bank deposit certificates to raise money for the tycoon.

In announcing the verdict, presiding Judge An U-man said the court has meted out stern punishment to prevent the recurrence of similar financial scandals. He said Kim Chol-ho's act was inexcusable despite his plea that his purpose was to serve the country by promoting the leisure industry.

The judge said that Yun should be held responsible for taking bribes despite his position as a senior official. The minister should provide an example to other lower officials, he said. Yun was the first former cabinet minister from President Chon Tu-hwan's government to be indicted on criminal charges.

### Former Myongsong Head Appeals Sentence

SK310137 Seoul THE KOREA HERALD in English 31 Dec 83 p 8

[Text] Nine defendants involved in the Myongsong loan fraud scandal appealed their sentences to the Seoul Appellate Court yesterday.

They include Kim Chol-ho, 44, former Myongsong Group chairman, Yun Cha-chung, 54, former minister of transportation, Pak Chang-kwon, 54, former director of the Construction Ministry's National Land Planning Bureau, Kim Tong-kyom, 39 ex-official at the Commercial Bank of Korea, Kim Chang-chun, 44, and Kim Man-taek, 41, both senior to Kim Tong-kyom, and Pak Chung-nam, 41, a private loan broker.

On Wednesday, the Seoul District Criminal Court sentenced Kim Chol-ho to 15 years in prison and ordered him to pay a fine of 9.2 billion won for complicity in the embezzlement of 106.6 billion won in bank funds.

CSO: 4100/041

S. KOREA/POLITICS AND GOVERNMENT

REPORTAGE ON REINSTATING UNIVERSITY STUDENTS

Universities To Make Own Decisions

SK222241 Seoul YONHAP in English 0949 GMT 22 Dec 83

[Text] Seoul, 22 Dec (YONHAP)--Universities and colleges will make their own decisions on how many former students who have been expelled from the campus since 1980 will be readmitted, a government source said Thursday.

The government Wednesday announced that all the 1,363 former students who have been expelled in connection with campus disturbances since 17 May 1980 will be allowed to return to the campus beginning next semester.

The source said, however, there would be some problem to reinstating those students who are judged likely to create unrest and disturbance on their campuses if readmitted.

He said the government has maintained a tough stance on student problems so far. It made the generous decision because some changes have been seen in the students' attitudes.

The measure was taken to express the government's intention to leave student problems in the hands of universities and colleges hereafter, he said.

The source added, however, that it would not be tolerated if the students again created disturbances on the campus and upset the atmosphere of study.

Stable, Academic Campus Environment

SK230127 Seoul THE KOREA HERALD in English 23 Dec 83 p 4

[Editorial: "Steps for National Harmony"]

[Text] The government has just taken a gigantic, positive step that is certain to stimulate national reconciliation. Special amnesty was granted to 1,765 persons including those convicted for their involvement in the 1980 Kwangju civil disturbances. This immediately followed the government's action Wednesday

to allow 1,363 college students, ousted since 1980 for their role in campus unrest, to reenter their schools in the upcoming spring semester.

The reinstatement of the collegians draws our particular attention as it covers all students expelled since 1980. Although the government has reinstated collegians on several occasions, its scale this time is unprecedented.

As for the amnesty which includes special parole and rehabilitation of civil rights of the previous offenders, magnanimity is also uncomparred with any previous action. Benefiting from the pardon are those convicted for their complicity in the arson of the American Cultural Center in Pusan in 1982 and other anti-government activities.

The clemency had been quite expected with the approach of yuletide season. Even so, its scope went far beyond general expectations. We note a determination in the government's action to provide poeh-making momentum to strengthen national harmony.

The government did well to take the lead. This surely is heartening news to all of us who are about to usher in the New Year with brotherly love and harmony.

As Minister of Culture and Information Yi Chin-hui said in announcing the clemency, the government steps well reflect President Chon Tu-hwan's philosophy and determination to strenuously broaden the popular scope of reconciliation and consensus. For this purpose, all people must be given an opportunity to join in the efforts. It is especially urgent for us to become an advanced nation and cope with various challenges we now face.

The recipients of the clemency on their part should first look squarely at the existing realities from a proper historical perspective. And other people will need to show warm heart to help them make a fresh start in their life. These two combined will surely result in strengthening national cohesion.

In retrospect, the government seemed to have resorted to a punishment-oriented policy, thus resulting in a vicious cycle oscillating between extremes. At this juncture, the remark by Minister of Education Kwon E-hyok that emphasis will be shifted from punishment to tolerance and guidance through persuasion is welcomed. He also said schools will be operated in an autonomous manner. All this requires both school authorities and students to accept a greater sense of responsibility.

We have many tasks that must be carried out to insure our survival and realization of an advanced country. The campus is no exception, but rather more crucial than any other field. For students, to devote themselves to study is the first thing under the circumstances.

To this end, a fresh atmosphere is in order for creativity with a sense of responsibility. To be frank, there exist some chronic problems that have impaired the academic climate on the campus. These must be corrected with a new approach by faculty members and students.

Faculty members who were ousted three years ago have already been allowed to return to their jobs. They also need to address themselves to refreshing the campus climate.

All the people as a whole need to cooperate in keeping the campus a stable and truly academic environment. The campus and students must, under no circumstances, be abused for political reasons. Disrupting the academic atmosphere will serve no one's interests in the end.

#### Daily Praises New Campus Policy

SK230042 Seoul THE KOREA TIMES in English 23 Dec 83 p 4

[Editorial: "For National Reconciliation"]

[Text] In an unprecedentedly drastic move, the government has effectuated lenient measures for students ousted from their universities and for other people in society by reinstating their status or suspending their prison terms.

The education authorities have stated publicly that they will allow 1,363 collegians, who were removed from 65 colleges and universities for their involvement in campus demonstration, to be reenrolled in their schools as of the coming spring semester.

Announcing this government position before heads of institutions of higher learning in a meeting Wednesday, Education Minister Kwon E-hyok revealed that the presidents of the universities and colleges concerned would be given total authority to work out the reinstatement of the individual students.

In a similar act in the year-end session, the government announced yesterday that it will release a big number of students, religionists, labor unionists, and others by suspending their prison terms or by reinstating their civil rights, effective today.

Included in this seasonal amnesty are a total of 131 collegians, according to the government announcement.

Among other things, we welcome such a largescale move by the government to restore students and other people to their civil or student status, while many others are to be released from prisons.

In consideration of the large number of people, including university students, to be affected by the successive measures, there is no doubt that a new climate will be created in Korean society. These people will now be allowed to participate in the column of national advancement positively and fruitfully, rather than being left in the cold in the dark corners of our community.

In this way, we can well expect that the national harmony and reconciliation among the Korean people will be solidified to a substantial degree in the days ahead.

For those students who are standing trial now, the authorities are expected to shorten their judicial procedures so that they may return to campuses next semester, in accordance with the new educational policy.

As the education authorities have acknowledged, many youthful collegians tend to be critical of the reality facing them and their society.

In this respect, the latest government move to generously dispose of campus affairs can fully be justified as a forward-moving measure which is immediately concerned with the future of higher education in this country.

Compared with their elders, the budding intellectuals are at the same time apt to be less informed about what is actually going on in society, which may result in creating an excessively unstable campus atmosphere.

From this outlook a heavy responsibility is in the hands of professors and other educators from now on, calling upon them to have sincere dialogue with affection with their disciples on campuses.

Thus far, the government authorities have applied uniformly punitive measure against student demonstrators to cope with campus unrest.

This has undeniably contributed to an unstable social climate itself, and has brought about a considerable loss of security energy by mobilizing riot police personnel on frequent occasions.

As the government is now to do away with its thus far too harsh educational policy, a great turning point is seemingly in the offing in the campus affairs.

Thus, the university authorities are now asked to feel a sense of responsibility for the self-regulation of student affairs, probably more than at any previous time.

#### Government's Special Amnesty Praised

SK230122 Seoul THE KOREA HERALD in English 23 Dec 83 p 4

[By Kang Song-chol]

[Text] The government's special amnesty for a total of 1,765 convicts and ex-convicts yesterday undoubtedly added a significant amount of momentum to the current administration's consistent efforts for greater national reconciliation and unity.

It is noteworthy that the government took the "risk" of setting free those people who were regarded as "dangerous," as far as public security was concerned.

Particularly, its decision to free 131 college students who were convicted of having caused campus disturbances and allow them to return to the campus is very

significant in that it is the first such case since the inauguration of the current Fifth Republic.

This, coupled with recent announcement to permit expelled professors and students to return to their campuses, may even be called a "drastic" change in the government policy connected with campus unrest, from the indiscriminate oppression-oriented policy in the past to self-regulation by the colleges.

As the government spokesman Yi Chin-hui said in announcing the amnesty that the government will expand the scope of participation of the people in creating an advanced homeland, the significance of this amnesty can be found in providing convicted students with opportunities for a fresh start.

The students and school authorities, however, should take the pardon as an opportunity to create an academic campus atmosphere by driving out external influence from the colleges with strengthened student-faculty unity, specialists in college education say.

A high-ranking government official has indicated that the government will not tolerate those who try to misuse the occasion as an opportunity to step up their activities to create a new campus turmoil.

In that regard, the government decision to leave the matter of student problems to the college authorities can be singled out as the most drastic measure in this amnesty and a major turn in the government approach to the decades-long chronic elements of campus unrest.

The people maintained their reason and honored stability without agitating students and this might have caused the government to hasten taking the lenient measure, confident that the social atmosphere has been stabilized, they observed.

Also, the amnesty is regarded as a timely action since the major effects of large-scale economic scandals were subdued and the political climate is relatively calm.

The people's attention is now directed to the problem of lifting the ban on former politicians.

Although the reinstatement of former politicians will not take place this year as suggested by leading figures of the ruling Democratic Justice Party, there is a hopeful sign that the reinstatement will take place early next year, when the circumstances are considered to be ripe.

#### Daily Appraises Clemency

SK230055 Seoul THE KOREA TIMES in English 23 Dec 83 p 4

[By Pak Chang-sok]

[Text] The green light is on for "go" toward national reconciliation.

This may be an appropriate expression to describe the large-scale magnanimous measure taken by the government for 1,765 criminal convicts implicated in various anti-government activities.

The lenient measure announced yesterday was not symbolic.

It is seen as totally different in nature from clemencies the government has given annually on auspicious days.

The 22 December amnesty seems to have various important political implications in light of the fact that it came on the heels of the announcement of the government's decision to reinstate professors and students ousted from their schools.

The recent series of lenient measures taken toward those engaged in various anti-government activities are construed as "epoch-making," literally to achieve the long cherished goal of national reconciliation and unity.

Noteworthy in the latest lenient measure is the massive release of 131 students convicted of roles in anti-government demonstrations.

The students were serving prison terms after being found guilty in connection with various incidents of campus unrest since 17 May 1980, when martial law was expanded to the entire country.

The government has occasionally taken various reconciliatory measures towards students since the inauguration of the Fifth Republic, but this is the first time that the government has fully opened the door for them to return to their schools.

The released 131 students will be given the chance to be readmitted to their schools beginning this coming semester under another government measure to reinstate them.

The twin measures taken for students are viewed as a drastic change in the government's policy toward students.

In other words, the government seems to intend to settle the deeply-rooted campus unrest through guiding students instead of resorting to punishment.

The 22 December clemency will indisputably provide a fresh filip to cement the political and social reconciliation in that it benefits all political and social criminals, ranging from those involved in the Kim Tae-chung incident to the Kwangju riot and the burning of the Pusan U.S. Cultural Center.

With this large-scale lenient measure in effect, most of the criminal convicts implicated in various crimes endangering the public peace during the transition period of confusion before the inauguration of the Fifth Republic were released or reinstated.

The recent series of conciliatory measures is also likely to exercise an effect upon political circles, since the much-talked-about campus unrest has been one of the major political issues.

With the full-fledged release of students and convicts involved in crimes endangering the national public peace, public attention is now being drawn to lifting restrictions imposed upon old-school politicians.

Judging from the contents of the recent conciliatory measures, the timing for an additional withdrawal of the political ban may be advanced unexpectedly, political observers noted.

Government decision to take a series of reconciliatory measures shows its strong confidence in dealing with the state affairs on the basis of the political and social stability.

The national unity shown in tiding over such tragic incidents as the Soviet downing of a KAL jet and Burma bomb blast prompted the government to take such large-scale lenient measures, political observers noted.

Anyway, the latest magnanimous measures may undisputably become a good occasion to speed up the national unity and harmony.

#### Courts To Expedite Trials

SK230112 Seoul THE KOREA HERALD in English 23 Dec 83 p 8

[Text] The Supreme Court yesterday instructed the nation's criminal courts to further expedite court proceedings for college students now on trial for their involvement in campus unrest.

The instruction came one day after the government announced a measure under which college students expelled from their schools can be readmitted beginning next spring semester.

In Seoul, 23 university and college students are awaiting trial by the Seoul District Criminal Court for their alleged part in a series of antigovernment demonstrations.

Eighteen other students had their prison terms confirmed by the district court on Monday and Tuesday.

Forty-two other students are also awaiting trial by the Nambu, Tonbu and Pukpu district courts.

In a related development the Supreme Prosecutor's Office is considering dropping charges against the remaining college students who were not indicted so far.

Court sources said that most college students eligible for the clemency by the government had their terms confirmed by appeals courts.

The Ministry of Education announced on Wednesday that it would allow a total of 1,363 students expelled from 65 colleges and universities to reenter their schools in March next year.

Those students were forced out of their schools during the past four years for their roles in campus disturbances, the ministry said.

Meanwhile, seven out of the 1,363 students may not be pardoned under the measure because they allegedly failed to show repentance for what they had done, government sources said.

#### College Heads to Deal With Problems

SK240035 Seoul THE KOREA HERALD in English 24 Dec 83 p 8

[Text] College deans and university presidents may be held accountable if they fail to prevent students' illegal campus activities beginning next year, an Education Ministry official said.

Kim Chan-che, chief of the education policy office of the ministry, told a meeting of student affairs' deans of colleges and universities Thursday that educational institutions will be given as much authority as possible in dealing with campus affairs.

He warned, however, that heads of colleges and universities will be held responsible for student activities that might disrupt the academic atmosphere on campuses.

In the meeting held in Kyongju, the student affairs' deans discussed the procedure for the reinstatement of students who had been expelled for involvement in illegal campus activities.

The government announced Wednesday that it will allow college students expelled since 1980 to reenroll in March next year.

Most of the deans expected difficulties in preparing guidelines for the selection of students to be readmitted. They said it will be difficult to work out criteria acceptable to all the students wishing to reenter their schools.

Some of them worried that problems might occur when colleges exclude some students from the list.

Most of them said their schools will interview the expelled students and their parents before deciding on whether or not to readmit them.

Minister of Education Kwon I-hyok has asked institutions of higher learning to deal with campus affairs autonomously, charging that some schools have depended on the government for the solution of their problems.

## Committees To Regulate Student Activities

SK270729 Seoul YONHAP in English 0645 GMT 27 Dec 83

[Text] Seoul, 27 Dec (YONHAP)--In an apparent move to have each college and university assume responsibility for student unrest on its own campus, the Education Ministry Tuesday instructed the nation's higher-learning institutions to set up on-campus committees to regulate student activities, ministry sources said.

The committees, to be headed by a college dean or university president, will be responsible for regulating politicized student rallies as well as punishing those involved in such demonstrations, the sources said.

In another move, colleges and universities have been instructed to form screening committees for the reinstatement of expelled student activists.

The government has decided to allow such students back on campuses next March when the 1984 school year begins.

It has said it will leave it to the discretion of individual school authorities to decide which students should be reinstated.

In a similar move, the government also has decided to reinstate dissident professors who were ousted from colleges and universities in 1980 because of their alleged dissension. Those professors will be allowed to teach only at colleges and universities other than the ones where they taught at the time of their dismissals.

## DKP Head Praises Minister of Education

SK240017 Seoul THE KOREA TIMES in English 24 Dec 83 p 4

[From the column "Press Pocket"]

[Text] Rep Yu Chi-song, president of the major opposition Democratic Korea Party, praised Education Minister Kwon I-hyok for the reinstatement of students expelled from schools in connection with campus disturbances.

In a meeting with the minister at the DKP headquarters yesterday, Rep Yu said, "Now is the time for the school authorities to allow all those students to be back on campus and to make efforts for mutual understandings with them."

In return, Minister Kwon said that all students should devote themselves to study in a sound academic climate upon this occasion.

CSO: 4100/041

S. KOREA/POLITICS AND GOVERNMENT

REPORTAGE ON GOVERNMENT'S DECISION TO REINSTATE STUDENTS

Daily Praises Government Action

SK231354 Seoul TONG-A ILBO in Korean 23 Dec 83 p 2

[Editorial: "After the Amnesty and Reinstatement: The Function That Coordinates Different Opinions Should Be Normally Practised"]

[Text] The government's amnesty and reinstatement following its decision to allow dismissed students to return to campus are a welcome set of measures if for no other reason than that some imprisoned personages are to be released and another group of personages are to be freed from the ban imposed on them. Probably more important may be that such a series of thawing measures have been taken to heal the wounds opened by the political and social frictions as much as possible and that it was a measure meant to pursue an orderly function of the efforts to reconcile conflicting ideas.

A peek at the government's announcement on amnesty and reinstatement is enough for us to realize what great wounds our society has had.

The wounds that frictions had inflicted on our society include various incidents such as the Kwangju incident, the Kim Tae-chung incident, the Purim incident, the Aramhoe incident, the Wopung Woolen Textile incident, and the incident of the garment labor union. There are various kinds of people involved in these incidents--men of letters, religious people, working people, retired army generals, and students, to name a few.

Simply put, the fact that the subjects of the amnesty and reinstatement are from such broad walks of life indicates that the wounds of our society have been so deep and so widespread. We can, of course, explain the seriousness of these wounds in simple words, but we find it hard to describe their cause in brief.

If we dare try to describe the causes in terse lines, we can say that shortcomings in our ability to coordinate conflicting opinions and interests is the cause. Here we can find some reasons why such hardline measures as punishment and restrictions have had to be repeated along with amnesty and reinstatement time after time.

A society is a place where people of different opinions and different interests live together. It is unreasonable to expect the society to be free of conflicting opinions and interests. Rather, how to reconcile such conflicting ideas and interests, natural elements inherent to our society, and how to live harmoniously with people of different ideas and different interests is the age-old problem that faces our society.

The ability of a society to coordinate different opinions and conflicting interests is, in fact, the yardstick by which to measure the maturity of the society. We expect politics to function as the coordinating factor. When we closely examine so-called democracy, it is nothing but a natural institutionalization of such a coordinating function. The National Assembly and press are exemplary cases of such coordinating functions, and the rules or regulations governing all aspects of a society, called proper procedures, are sought after in order to normally practise such coordinating functions.

If we can say that we understand the institutional function of democracy, we should not let the unhappy confrontations be repeated anymore. The political power should demonstrate the ability of leading this confrontation on the basis of coordination and not punishment. Also, it should recognize, first of all, the fact that in any society there inevitably exists different opinions and, therefore, it should coordinate the differences not through confrontation but through dialogue.

The so-called antistate force and those critical of the government should open their eyes to the fact that insistence on their unilateral opinion can result in stultification. Of course, what they ardently aspire for is a firmly established democracy. The need to squarely look at the fact that democracy is premised on harmonizing such different and discordant opinions.

We firmly believe that any walks of life that aspire for democracy should recognize the existence of different opinions and thereby commit themselves to an effort to reconcile the discordant opinions. This is why we earnestly hope that the government's measure of amnesty and reinstatement would serve as an opportunity of nurturing such an ability.

Any further repetition of the hardline measures and generous measures will only bring unhappiness to all the members of our society. This kind of vicious circle stems largely from an act of discarding the proper procedures which are the rules that govern the society. We who wish the government's amnesty and reinstatement to serve as an opportunity of returning to this proper track, earnestly hope that the government will take a follow-up measure of freeing from the disadvantageous restrictions all the people who have been made subject since the 17 May incident to restrictions and dismissals without benefiting from the proper procedures, let alone a measure of lifting the ban imposed on former politicians.

#### Plainclothes Police Withdraw From Campus

SK240030 Seoul CHUNGANG ILBO in Korean 23 Dec 83 p 1

[Text] The plainclothes police forces, which have been constantly stationed on campuses, will withdraw for the autonomous settlement of the campus problem.

On 23 December, the authorities concerned made clear that they had decided to withdraw the plainclothes police forces, which had been constantly stationed on campuses, including Seoul National University, Korea University, and Yonsei University, to quell intramural turmoil in its initial stages, from campuses next year, have decided to entrust the heads of campuses with the matter of dealing with campus problems to take place in the future in an effort to help create an autonomous atmosphere, and have decided to throw police forces into campuses when they receive a request from a university which have judged that it is difficult to settle a problem by itself.

Stating that the autonomous management of campuses requires as much responsibility, a public security-related official in authority clarified that the authorities are now examining, in a multi-sided way, measures to cope with campus problems in the wake of the returning of expelled students to campuses.

The official added that, to protect a majority of good students, police forces will be mobilized when a minority of radical students forget the government's clemency of reinstatement and amnesty and hamper an academic atmosphere, arousing campus disturbances again.

An official concerned disclosed that the "units of plainclothes police" on campuses had completely withdrew from campuses on 10 December when the final-term examinations finished, and they have been put into crime prevention activities. The official further said: "As long as no special incident takes place, police forces will not be mobilized next semester, too."

A company of plainclothes police forces have been constantly stationed on campuses where intramural turmoil has taken place frequently. A total of 5 companies composed of about 700 police have been mobilized at the initial stage of agitation to arrest the leaders and to prevent the expansion of agitation.

CSO: 4107/058

S. KOREA/POLITICS AND GOVERNMENT

FURTHER REPORTAGE ON CAMPUS ACTIVITIES' COMMITTEES

SK271349 Seoul TONG-A ILBO in Korean 27 Dec 83 p 1

[Text] It has been learned that a new organization on campus matters, to guide those students involved in campus disturbances and study campus matters, will be formed next year. This organization will be newly founded in connection with the government policy change from arresting students involved in campus disturbances to guiding them to the right path. It has been learned that a considerable number of figures from various strata, including professors, high-ranking government officials, and religious persons, will participate in this organization to persuade and guide students through dialogue and discussion.

On 27 December, one government official said: "At the earliest, this organization will be formed before next March when a new semester begins. This organization will begin its first business with those students involved in campus disturbances who will be allowed to return to colleges."

He noted: "I understand that this organization will be led by the college authorities and will be under autonomous management."

When this organization is founded, it will guide through dialogue and discussion those students who would be subject to detention or arrest for their involvement in campus disturbances.

It has been learned, that with their consent, those college students who will be guided by this organization will be given the chance to grasp the real issues and put their ideas into shape by voluntarily participating in study and training meetings to be arranged by this organization and holding dialogues and discussions with figures from various strata, who will serve as lecturers in a free atmosphere.

One concerned official said: "The campus disturbances have been simply treated as campus matters and the issues raised in the campus demonstrations are broad ones concerning politics, economics, and society. But, up to now, college professors or society have not fully persuaded students. And, any relevant publication putting forth theories which can guide students to the right path has not yet been issued."

He disclosed that, therefore, a plan to form an independent organization which will study such campus matters and work out countermeasures has been reviewed.

It has been learned that at the moment, the government and concerned officials of colleges are examining detailed matters concerning the founding of this organization.

CSO: 4107/058

## S. KOREA/POLITICS AND GOVERNMENT

### BRIEFS

OFFICIALS TO REPORT PROPERTY CHANGE--Seoul, 30 Dec (YONHAP)--The South Korean Government set January as the time when high-ranking government officials should report to the government if there is any change in their property, Government Administration Minister Pak Chan-kung announced Thursday. His statement came during reports to the public servants Ethics Committee meeting chaired by Prime Minister Chin I-chong at the government office building. A total of 720 high-ranking government officials reported their personal property to the Government Administration Ministry as of 28 December in compliance with the public servants ethics law, Pak said. The public servants ethics law is aimed at realizing clean government by making it compulsory for officials with the rank of vice minister and above to register their personal property. [Text] [SK300010 Seoul YONHAP in English 0002 GMT 30 Dec 83]

NATIONAL ASSEMBLY ACTIONS--Seoul, 14 Dec (YONHAP)--The South Korean National Assembly Wednesday approved a government plan to introduce 1,180 million U.S. dollars in loans from the World Bank and other international institutions next year to finance public projects. It also ratified Korea's bilateral agreements with Norway and Bangladesh on the prevention of double taxation. The assembly, South Korea's one-house parliament, also passed a number of law bills including an amendment to the current immigration control law. The amendment will allow temporary foreign residents in South Korea to renew their visas no more than twice. [Text] [Seoul YONHAP in English 0926 GMT 14 DEC 83 SK]

THINK TANK APPOINTMENT--Seoul, 16 Dec (YONHAP)--The Korea Development Institute (KDI) Friday appointed So Sang-mok, senior councilor to the deputy prime minister, as vice president of the state-run think tank. So, 36, is a graduate of Amherst University in the United States and obtained his doctorate in economics from Stanford University in 1973. [Text] [SK190717 Seoul YONHAP in English 0317 GMT 16 Dec 83]

FORMER OPPOSITION MEMBER DETAINED--On 28 December, Judge Yang Tong-kwan of the Southern Branch of the Seoul District Court sentenced Mr Tak Hyong-chun, 40, former member of the Central Executive Committee of the New Democratic Party [NDP], to 10 days of detention. On 10 July, Mr Tak was referred to a summary court on charges of creating social unrest by scattering leaflets in connection with former NDP President Mr Kim Yong-sam's fast. He had asked the Southern Branch of the Seoul District Court for a formal trial after the summary court sentenced him to 15 days of detention. [Text] [SK281135 Seoul TONG-A ILBO in Korean 28 Dec 83 p 11]

PARTY PAPER ON GENERAL ELECTIONS ISSUED--On 28 December, the KNP published the sixth edition of its own paper, featuring the results of the parliamentary politics of the past 3 years and the forthcoming general elections. In his New Years' message carried in this party paper, party President Kim Chong-chol made a pledge by saying: "If an attempt is made to cause corruption in the 12th general elections like in the 25 March general elections [1981], the citizens' anger will never tolerate it. Above all, the KNP will show itself as a modern political party, true to its name, by exerting efforts to certainly secure a great number of parliamentary seats." [From the column "Central Tower"] [Text] [SK281225 Seoul CHUNGANG ILBO in Korean 28 Dec 83 p 2]

CSO: 4107/058

S. KOREA/MILITARY AFFAIRS

YONHAP PREVIEWS U.S.-ROK 'TEAM SPIRIT '84'

SK280447 Seoul YONHAP in English 0311 GMT 28 Dec 83

[Text] Seoul, 28 Dec (YONHAP)--The annual Korea-U.S. joint military exercise "Team Spirit" for 1984 will be kicked off on or about 1 February with a total of 207,550 Korean and U.S. soldiers participating, it was simultaneously announced Wednesday in Seoul and Washington.

Spokesman for the Korea-U.S. combined forces command Col. Rallin J. Aars said Team Spirit '84 will include the UH-60 blackhawk helicopter for the first time, and an aircraft carrier battle group as in previous years.

Team Spirit '83, held early this year, included two aircraft carrier battle groups, including the USS Enterprise. Pertinent officials decided to exclude the use of a second aircraft carrier battle group in the 1984 exercises, the U.S. Air Force colonel said.

Aars said his command has informed North Korea of the training exercise as it has for the past two years to prevent any misunderstanding about the exercise's training purpose.

He added, however, no invitation has been extended to North Korea to observe the training because North Korean and Chinese forces did not accept the invitations made in the past two years.

"The purpose of Team Spirit '84 is to improve combat readiness of ROK (Republic of Korea) and U.S. ground, naval, air, amphibious, and special operations forces through training in joint operations," Aars said.

Team Spirit '84 will exercise the deployment, reception and employment of ROK and U.S. forces responding to possible contingencies in the Korean theater.

"U.S. participation will demonstrate the president of the United States' pledge to strengthen U.S. forces in Korea," he said.

The ninth team spirit will include 147,500 Korean soldiers and 60,050 U.S. soldiers currently stationed in Korea, plus other locations within the U.S. Pacific Command and from the continental United States.

Although U.S. participation in the training has been reduced from 1983, the scale of the operation was enlarged by increasing the participation of Korean forces, including reservists who will take part in particular fields of the exercises, he said.

The U.S. forces to join their compatriot soldiers already in Korea will be: an army division headquarters element and an infantry brigade task forces; a brigade headquarters and an infantry battalion task forces; a naval task force consisting of an aircraft carrier battle group, a surface action group, an amphibious task force, two amphibious squadrons, one marine air/ground task force, and other naval surface combatants on the Seventh Fleet.

The exercise will refine application of air-land battle doctrine in the Korean environment, and will test rapid deployment of U.S. forces from outside the country and methods for receiving, staging, and employing them and their equipment on the peninsula, Aars said.

CSO: 4100/041

S. KOREA/ECONOMY

YONHAP VIEWS FOREIGN EXCHANGE MANAGEMENT PROGRAM

SK230237 Seoul YONHAP in English 0224 GMT 23 Dec 83

[Text] Seoul, 23 Dec (YONHAP)--South Korea is expected to register the first surplus in its current account in 1986 and the nation's balance of payments will improve rapidly.

According to a long-term foreign exchange management program released Friday from the Economic Planning Board, the nation's outstanding foreign debts are projected to stand at 45.3 billion U.S. dollars in 1986, the target year of the ongoing 1982-86 fifth five-year socio-economic development plan.

Due to the inducement of large foreign loans to finance development projects envisioned for 1986, the figures are 900 million dollars more than in 1985.

The nation's net outstanding foreign liabilities, however, are expected to reach 31.9 million dollars in 1986, one billion dollars less than in the previous year and further decrease to 30.6 billion dollars in 1987.

Net outstanding foreign liabilities equal the total outstanding foreign debt minus the nation's foreign exchange holdings at home and abroad, credit export bonds, foreign exchange held at foreign bank branches in the country and other foreign assets.

Drops in the figure improve the nation's balance of international payments. In other words, the nation's foreign exchange holdings will increase at a more rapid pace than foreign debts beginning in 1987, a board official explained.

Before 1986, both outstanding foreign debts and net outstanding foreign liabilities will continue to rise. However, the net outstanding foreign liabilities will begin to shrink for the first time in 1987, the official added.

Under the long-term foreign exchange management program, the nation's foreign assets are projected to reach 16.5 billion dollars in 1987--9.2 billion dollars in foreign exchange holdings, six billion dollars in credit export bonds and 1.3 billion dollars in other assets. The figures show an impressive 1.9 billion dollar improvement in Korea's international payments position in the short span of one year.

As a result of the improved international payments position, the share of the overseas sector's savings in the nation's total investment will drop in 1987 for the first time by 0.4 percent.

The share will further drop 0.5 percent in 1987, heralding a remarkable change in the government's development policy, which depends largely on foreign capital, according to the official.

CSO: 4100/041

S. KOREA/ECONOMY

ROK DAILY APPRAISES ECONOMY IN 1983

SK300120 Seoul THE KOREA TIMES in English 30 Dec 83 p 4

[Editorial: "'83 Economic Aspects"]

[Text] Both the bright and dark sides of the economy have been remarkable this passing year. Various economic indicators have shown good performances, while the national economy and, particularly the banking circles, have been deeply scarred with several largescale banking scandals involving dishonored bills.

The nation began to see an economic upturn since toward the end of last year.

The gross national product (GNP) growth, which marked 9.6 percent during the first half of the year, is now expected to top 10 percent for the whole of the year.

The high economic growth in the first half-year, which was led by an excessive domestic demand, was once feared to aggravate the international balance of payments and to shake the stable price front.

Yet, fortunately the overall business upturn could be bolstered continuously by such favorable developments, on one hand, as curbed speculation and faltering domestic demand and, on the other, by export boosts in the second half of the year.

Thus, as of the end of November, this year's wholesale price index marked a minus 1.0 percent increase rate while consumer prices increased by only 1.7 percent. Such a low price hike seems to be much different from what was felt by consumers or the general public, partly because such categories as house prices, school fees and medical treatment charges are excluded from the list of price index items surveyed by authorities.

Of course, it should not be underestimated that policy efforts were made to arrest and curb speculation and hectic domestic demand.

Another encouraging aspect was that the current account of the international payment position was in the black beginning in July and diminished the long-protracted deficit which had swollen to \$1,330 million at the end of June.

This year's commodity export target of \$23.5 billion was attained as of Tuesday, four days ahead of the year-end. The year's export achievement is thus anticipated to hit \$24 billion, which accounts for an increase of 11 percent over last year's.

It also should be pointed out that the authorities had to make a hard and "unpopular" fight to curtail the broadly-defined total money (M-2) growth even to 15 percent toward the coming year-end, as compared with 27 percent at the end of last year.

In this regard, government efforts deserve to be highly accredited in holding down total demand and imports so as to stabilize prices and improve the international balance of payments this year.

On the dark side of our economy this year, a series of large-scale bank scandals including the Myongsung and Yongdong cases have left serious aftermath delivering hard blows to small and medium industries, particularly those in provincial areas, in the securance of liquidity funds.

Hardships and troubles on the part of the government and enterprises eventually resulted in the people's sufferings--the freeze of labor wages and government purchasing prices of rice and barley.

However, the favorable GNP growth based on price stability cannot be ascribed to our efforts alone because the overseas economic situation turned favorable with the economies of advanced countries, which are Korea's major trade and economic partners, on a tone of steady recovery.

Particularly notable in helping stabilize domestic prices were the sustained price stabilization or downward trends for crude oil and other major imported raw materials.

The overseas economic upturn is expected to back up the nation's sustained economic growth also in the coming year.

Yet, our close attention should be paid to the high possibility that the business pickup at home and abroad may threaten the price front next year.

CSO: 4100/041

S. KOREA/ECONOMY

ROK'S CAPITAL CITY ANNOUNCES BUDGET FOR 1984

SK240049 Seoul THE KOREA HERALD in English 24 Dec 83 p 8

[Text] Seoul City yesterday announced the 1984 budget of 1,901.2 billion won, including funding programs for housing, welfare and sports facilities.

Announced with the approval of the prime minister's office, the budget sum is a 9.3 percent increase over this year's 1,785.1 billion won.

"For the first time, we have formulated a deficit-free general account," said a city government spokesman. He was referring to the general account of 839.4 billion won, 0.05 percent less than this year's. The special account is set at 1,061.8 billion won.

The new year's budget is so formulated to restrain spendings on new projects, the spokesman said. Most spending programs already begun, including those for paving the alleys and improving sewers and living environments of residents.

In the general account, 75 percent of the planned revenue or 634.6 billion won will be from local taxes. The planned local tax revenue is a 7.3 percent increase over this year's. Most of the increase will be from acquisition, registration and property taxes.

The spending programs include 10.7 billion won on the construction of an agricultural and fishery products market and 5 billion won on the Seoul Sports Complex now being built for use in the 1986 Asian Games and the 1988 Olympics. Also included is 19 billion won on laying sewage pipelines that are needed to make the Han River clean.

The special account funding programs include 58.5 billion won for another stadium to be built for the 1988 Seoul Olympics. Among the others is 319 billion won in building apartments for 10,000 families in the projected new town in Mok-dong and Sinjong-dong. For the construction of housing units for 7,640 more families in other areas, 144.9 billion won is earmarked.

CSO: 4100/041

S. KOREA/ECONOMY

TALLY COMPARES ECONOMY OF SOUTH, NORTH

SK050317 Seoul YONHAP in English 0257 GMT 5 Jan 84

[Text] Seoul, 5 Jan (YONHAP)--As of the end of 1982, South Korea's gross national product (GNP) amounted to 65.7 billion U.S. dollars, about five times as much as North Korea's 13.6 billion dollars, according to a National Unification Board tally released Thursday.

The South's per capita GNP stood at 1,671 dollars, while the North's figure reached 736 dollars, the tally on economic contrasts between South and North Korea showed.

The defense expenditure of South Korea accounted for 6.4 percent of its 1982 GNP while Pyongyang spent 23.8 percent of its GNP on defense purposes, the world's highest level of defense spending measured as a percentage of a nation's GNP, the tally showed.

South Korea's trade volume reached 46.1 billion dollars, including 21.9 billion dollars worth of exports, while the North's trade volume was estimated at 3.3 billion dollars, accounting for 7 percent of the South's size.

Per capita consumption minus savings and defense expenditure was 1,202 dollars for South Korea and 392 dollars for North Korea, the tally showed.

South Korea's population was estimated at 39.33 million with an annual population growth rate of 1.57 percent, while the North's population was estimated at 18.49 million with a 2.23 percent rate of increase, the tally showed.

South Korea was capable of refining 790,000 barrels of oil daily, whereas the North's capacity stood at 80,000 barrels.

Of the total oil refining facilities in the North, only 60 to 70 percent were operational because of a setback in North Korea's imports of crude oil, the tally pointed out.

The annual production level of South Korea's automobile manufacturers was 337,000 vehicles, while its North Korean counterpart's annual production capacity stood at 15,000 vehicles, mostly jeeps and freight trucks.

South Korea's production capacity of scrap iron was 12.94 million tons, while North Korea was capable of producing 4.3 million tons. The South's annual shipbuilding capacity reached four million tons, and the industry was able to build vessels as large as 260,000 tons. However, the North's capacity stood at only 400,000 tons with its industry able to build ships no larger than 20,000 tons, the tally showed.

South Korea was capable of turning out 1.54 million refrigerators and 10 million television sets annually, including four million color TV sets, while North Korea could produce 150,000 to 200,000 black-and-white TV sets.

The North began importing parts in 1982 to assemble color TV sets while just starting to produce refrigerators, the tally showed.

CSO: 4100/041

S. KOREA/ECONOMY

PER CAPITA GNP EXPECTED TO BE MORE THAN \$2,500

SK230057 Seoul THE KOREA HERALD in English 23 Dec 83 p 1

[Text] The country would achieve more than \$2,500 in per capita gross national product (GNP) in 1987 after successfully implementing programs set for the remaining three years in the revised Fifth 5-Year (1982-86) Economic and Social Development Plan, Deputy Prime Minister Sin Pyong-hyon said yesterday.

Announcing the revised Fifth 5-Year Plan, Sin, also minister of economic planning, said the country's GNP is projected to grow 7.5 percent annually from next year through 1986.

Under the amended scenario, the country's GNP will stand at \$93.1 billion at 1980 constant prices, or \$97.3 billion at current prices, in 1986.

The top economic policymaker said the nation's most important task during the next three years is to further cement price stability and improve its balance of payments. "That plan is designed to lay firm ground for our sustained healthy economic growth in decades to come," said Sin.

Under the revised plan, wholesale prices are projected to increase less than one percent annually while consumer prices are expected to climb by two to three percent.

The deputy prime minister said foreign debts will total \$47.4 billion at the end of 1986 under the revised plan, compared with \$64.5 billion as originally forecast.

The nation should take every step necessary to prohibit its foreign debts from crossing the \$50 billion mark by 1988, he said. According to the plan's projection, foreign debts will stand at \$49.3 billion by 1988.

Commodity exports under the revised plan are projected to rise by an annual average of 15 percent from this year's \$23.2 billion to \$35.7 billion in 1986, while imports are to grow 11 percent in each of the next three years from \$25 billion this year to \$35.1 billion in 1986.

As a result, Korea will see, for the first time, a trade surplus of \$6 million in 1986, compared with a \$2.5 billion deficit forecast in the original plan.

The government will continue its tight money policy, holding down the average annual increase in the total money supply below 12 percent in the coming three-year period.

The nation's domestic savings ratio will increase from this year's 24.2 percent to 28.6 percent in 1986 and the total investment ratio will climb from 26.8 percent this year to 29.3 percent in 1986, according to the revised plan.

The number of employed Koreans will swell from this year's 14.6 million to 16.0 million in 1986, dropping the unemployment rate from 4.2 percent to 3.8 percent.

The revised five-year plan calls for the establishment of a special government commission before 1986 to prepare for the implementation of a welfare-pension system and the expansion of medical facilities in farming and fishing towns throughout the country.

The most important highway program in the revised plan is the doubling of the present four-lane highway connecting Seoul and Pusan. The construction of an additional four lanes will begin in 1985 and will be completed by 1988.

The government will introduce compulsory middle school education for students on outlying islands and in mountainous regions by 1985.

CSO: 4100/041

S. KOREA/ECONOMY

MINISTER ON PROMOTION OF HEALTHY BANK INDUSTRY

SK240053 Seoul THE KOREA TIMES in English 24 Dec 83 p 1

[Text] The government will do its best next year to create a climate in which banks set interest rates on their own, Finance Minister Kim Man-che said yesterday.

To do so, Kim said, the government will eradicate ill factors leading to excessive demand for funds.

For example, Kim said, the government will not give any rescue funds to unsound companies with no prospects for survival seen, leaving them to go bankrupt.

The government will also make efforts to solidify the present "system for low commodity prices and low interest rates through steady money management," Kim said.

The finance minister was speaking on monetary policy for next year in a meeting with business leaders at the Federation of Korean Industries.

In the breakfast meeting Kim stressed that the nation needs an 'epoch-making' increase in savings deposits to promote steady economic growth and prevent foreign debts from rising.

Kim said a voluntary, systematic campaign for savings deposits should be launched to draw deposits from households.

Business enterprises are also required to build savings deposits through more rational spending, Kim said.

Big companies were told to make efforts to get many more loans from non-bank institutions by utilizing such means as going public.

Banking institutions will strengthen lending control next year over big companies who have big bank loans, Kim said.

The control is aimed at correcting lopsided bank lending to big companies.

The policy of releasing loans to small firms will be continuously carried out. During the first 10 months of this year, Kim said, small firms got 51.2 percent or 1,029.4 billion won of the total 2,009 billion won bank loans released.

Emphasis will be on balanced equilibrium between Seoul and regional banking institutions.

Big companies whose debts to banks are big will be discouraged from making investments or buying real estate in order to help them improve their financial status, Kim said.

To promote a healthy banking industry, Kim said, a competition-prodding system will be introduced, and business areas between banks and non-bank institutions will be reasonably rearranged.

Turning to economic growth, the finance minister said the economic growth for this year will reach 9 percent in real terms.

The nation's current-account deficits will be reduced to \$1.6 billion and \$1.8 billion for this year. The red figure for last year stood at 2.6 Billion.

CSO: 4100/041

S. KOREA/ECONOMY

ROK TO INTRODUCE LPG RESERVE SYSTEM

SK300341 Seoul YONHAP in English 0256 GMT 30 Dec 83

[Text] Seoul, 30 Dec (YONHAP)--In a bid to overcome the nation's heavy dependence on oil for its energy source, the government plans to introduce a liquefied petroleum gas (LPG) reserve system next year similar to South Korea's oil reserve plan, a high-ranking official at the Energy and Resources Ministry said Friday.

The government next year also will begin construction of two underground LPG storing bases with a capacity of 160,000 tons each. One will be located in Seoul's neighboring port city of Inchon and the other somewhere in South Kyongsang Province, the official said.

He said the government's plans were aimed both at implementing its non-oil policy and at securing a stable supply of fuel to the nation even in an emergency.

The ministry will first secure 48,000 tons of LPG in 1984 for reserve and increase the amount to 72,000 tons in 1985 and 106,000 tons in 1986, the official said. The total will jump to 284,000 tons in 1989 and further to 374,000 tons in 1991, thus allowing the nation to maintain at least a 60-day reserve of LPG.

The construction of the LPG base in Inchon will be completed by the end of 1986 and that of the Kyongsang Province base by the end of 1989. The construction cost, estimated to total 120 billion won (150 million U.S. dollars), will be paid from the oil reserve fund, a pool of money from a tax the government levies on imported oil to stabilize domestic oil prices, according to the official.

The government-secured LPG will be stored at a privately owned storing base in Yochon, South Cholla Province, which has a storage capacity of 160,000 tons, until the completion of the new bases, the official added.

CSO: 4100/041

S. KOREA/ECONOMY

ROK DISCOVERS MAMMOTH COAL DEPOSIT IN INDONESIA

SK270021 Seoul YONHAP in English 0008 GMT 27 Dec 83

[Text] Seoul, 27 Dec (YONHAP)--A mammoth coal deposit has been discovered by South Korean explorers in Indonesia, the Korea Mining Promotion Cor. (KMPC) announced Tuesday.

The state-run corporation said it found huge amounts of high-quality soft coal reserves, estimated at 683 million tons, in the Pasir coal field in the Indonesian state of Kalimantan.

The Kalimantan mine is the biggest coal deposit ever found among the mining projects undertaken by Koreans, the corporation said.

Reserves of 683 million tons in the new coal mine are worth 11.3 billion U.S. dollars on a current-market-price basis. Of the estimated total coal reserves, 240 million tons are considered to be recoverable with present technology, a KMPC official said.

Korea thus made the first discovery of coal at Pasir on Kalimantan, where six industrialized countries such as the United States, Britain, Australia, Japan, Italy and Spain have been engaging in bituminous exploration, the official said.

Korea-Indonesia Resources Development Corp. (KIRDC), a consortium of four Korean firms, including Samchok Consolidated Coal Mining Co., will begin mining coal there beginning in 1986 after two years of development work.

The Pasir mine is located 50 kilometers west of Adang Bay, where the Indonesian Government is scheduled to build a port to ship raw materials, including minerals and logs, the official said.

The mine's annual production will be two million tons, of which 86.5 percent or 1.7 million tons will be shipped to Korea, while the remaining 13.5 percent will be handed over to Indonesia. The Korean side will bear all costs of developing the coal mine and will have 30-year mining rights. So far the Korean concern has poured 2.6 billion won (about 3.2 million dollars) into the project. The imported bituminous coal will be used mainly as fuel for coal-fired power plants and for kilns in the cement industry, the official said.

## S. KOREA/ECONOMY

### GOVERNMENT SUPPORTS MACHINE INDUSTRIES, OVERSEAS INVESTMENTS

#### Machine Industry Enterprises

Seoul HANKUK KYONGCHE SINMUN in Korean 10 Nov 83 p 3

Article: "Funds to Promote Machine Industries: 13.4 Billion Support funds to 263 Enterprises; Enormous Effect on Increasing Exports and Substituting Imports Since 1980; 132 New Products In 102 Enterprises; Percentage of Conversion to Domestic Production, 90.7 percent, to Sales Weight, 9.4 percent."

Text: As of September 1983, the machine industry promotion funds, whose disbursement began in 1980, reached a total of 13.4 billion won paid to a total of 263 enterprises. The effect of the support turned out to be enormous: the accumulation of technology, the increase in exports, and the substitution in imports.

According to the announcement of the Association for Promotion of Machine Industries made on 9 November, the machine industry promotion funds which started to be disbursed in 1980 for the purpose of effecting the increase in exports and the acceleration of conversion to domestic production in the middle and small machine industry enterprises, have reached a total of 13 billion won. As of the end of September 1983, the funds' operational accomplishment showed that a total of 13.4 billion won went to a total of 263 enterprises, that a total of 53.1 billion won were applied for by a total of 398 enterprises, and that the percentage of the benefited in terms of the amount of funds reached 25 percent.

The Current Status of the Applications for and Grants from the Machine Industry Promotion Funds.

(Unit: 100 million won)

<u>Section</u>	<u>Year</u>	<u>80</u>	<u>81</u>	<u>82</u>	<u>83</u>	<u>Total</u>
Applicants/ Amount		52/49	171/269	122/156	53/51	398/531
Supported/ Amount		47/19	103/55	84/50	29/19	263/134
Benefited percentage		39	20	32	14	25

Furthermore, the total number of enterprises which completed the development of machine parts and manufactured products was: first stage development, 47 enterprises and 47 items; second stage development, 55 enterprises and 85

items--in all, a total of 102 enterprises and 132 items. Thus, the overall evaluation is that a great achievement was made in improving engineering and designing capability and in further developing technology.

In particular, for the second stage development--55 enterprises and 85 items--as revealed by a survey, the newly developed products earned \$3,023,000 dollars out of the total amount of exports of products \$10,134,000. Thus the percentage of earnings by newly developed products was 29.7 percent. As for the total amount of sales, the amount of sales of the newly developed products was 5.6 billion and 39 million won out of the total amount of sales 64.9 billion and 77 million won. Thus the percentage of the sales of newly developed products was 9.4 percent.

Meanwhile, the average percentage of the conversion to domestic production of the newly developed items reached 90.7 percent. And, of these, the products of 14 companies were labeled as excellently original, while the products of 19 companies were labeled as the ones equipped with the quality and capacity of international standards.

The Association for Promotion of Machine Industries, meanwhile, is planning to appropriate by 1986 a total of 150 billion won funds and to expand the scope of granting benefits in view of the fact that the promotion funds have effected enormous results.

#### Overseas Investment Support

Seoul MAEIL KYONGCHE SINMUN in Korean 4 Nov 83 p 2

Article: "68 Billion Won Set Aside for Next Year's Overseas Investment Support Fund. Southeast Asia and Central and Southern Americas: Investment Security Agreement Expanded. 10 Billion Won Earmarked for Medium Enterprises."

Text: The government has earmarked 68 billion won as next year's overseas investment support fund in order to accelerate the overseas investments by our domestic enterprises. It has been decided to expand the investment security agreements with the developing countries, including Southeast Asia and Central and Southern Americas, and thereby create an atmosphere in which our domestic enterprises will be able to invest boldly abroad.

According to an announcement of the competent authorities made on 4 November, a total of 68 billion won has been earmarked for the overseas investment support fund for next year--the Export and Import Bank is to render supports to those domestic enterprises which make combined investments together with foreign enterprises or which launch themselves abroad by establishing a corporation overseas. Furthermore, 10 billion won out of this fund has been set aside for separate support for the cause of the medium and small enterprises' overseas investments.

Additionally, the government is planning to expand the investment security agreements with foreign countries in order to prevent risks that accompany the overseas investments of our domestic enterprises. The plans include a

measure designed to make it possible for those domestic enterprises which make combined investments together with foreign enterprises or which establish a corporation overseas to bring home those fruit remittances that are affected from their investments without any restrictions. Also included in the plan is a measure designed to make it possible for investors to recover the money invested in case of failure in business.

At present our country has entered into the investment security agreement with nine countries including the United States, Britain, West Germany, and France. From now on, it will make active efforts to conclude such agreements with countries in Southeast Asia and Central and Southern Americas where our penetration activities including the development of resources are very much likely.

Furthermore, the government has also decided to push a measure designed to bring about the conclusion of the commercial arbitration agreement between the foreign governments and the civilian commercial arbitration organization on the civilian basis for the purpose of settling in advance those commercial disputes with the enterprises on the scene--disputes accompanying the overseas investment. It has also decided to urge the active utilization of the current overseas investment insurance of the Export and Import Bank.

Up to now, the overseas investments of our domestic enterprises are centered mainly around big enterprises like forestry and the development of mines. However, from now on, the government has decided, the procedures for obtaining government permission for investment will be greatly simplified in order to maximally intensify the overseas infiltration of our medium and small enterprises; also those supports to be given in terms of monetary business and taxation system will be stepped up.

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CSO: 4107/025

S. KOREA/ECONOMY

STEEL MILL CAN BE BUILT WITHOUT EXIM LOAN

SK260303 Seoul YONHAP in English 0240 GMT 26 Dec 83

[Text] Seoul, 26 Dec (YONHAP)--South Korea will face no problem in purchasing equipment for newly planned steel mill even if the U.S. Export-Import Bank refuses to finance the sale of America-made equipment as requested by the U.S. Commerce Department, a Commerce and Industry Ministry official said Monday.

Responding to reports that the Commerce Department has asked the EXIM Bank to cancel a proposed loan for Korea's Kwanguang Steel Mill, the official said it was U.S. manufacturers, not the Pohang Iron and Steel Company (POSCO), the builder of the new steel mill, that requested the EXIM Bank loan.

The proposed U.S. EXIM Bank loan amounts to more than 100 million U.S. dollars.

Moreover, he said, U.S. manufacturers wanted to supply auxiliary facilities, including raw material processing and oxygen producing plants, rather than the new steel mill's main facilities.

He further argued the purchase of up-to-date equipment at low prices is also possible without U.S. participation because other manufacturers from Britain, West Germany, and Japan are competing to take part in the construction of auxiliary facilities.

Key contracts for the new 2 billion dollar steel mill have already been awarded to four foreign bidders and their Korean partners: Japan's Mitsubishi Corp. and Korea Heavy Industries Corp. for a hot strip rolling mill; Britain's Davy Corp. and Korea Heavy Industries for a blast furnace; West Germany's Mannesmann-Demag and Hyundai Heavy Industry Co. for a continuous casting plant; and Australia's Vöest Alpine and Hyundai for a steel making plant.

The successful foreign bidders are responsible for obtaining loans to finance necessary purchases according to the contracts' terms.

The new steel mill will produce 2.7 million tons of steel yearly after scheduled completion in March 1988. Construction will get under way in July 1985 at Kwangyang Bay on the nation's South Korea south coast. Reclamation of the land for the mill is to be completed by June 1985, POSCO officials said.

U.S. Commerce Undersecretary Lionel Olmer reportedly has argued in a letter to EXIM Bank President William Draper that the bank's proposed loan "would have serious repercussions for the U.S. steel industry."

The U.S. EXIM Bank generally lends money to foreign companies to encourage them to buy American products.

CSO: 4100/041

S. KOREA/ECONOMY

OVERSEAS CONSTRUCTION FIRMS SURPASS 1983 GOAL

SK310051 Seoul YONHAP in English 0042 GMT 31 Dec 83

[Text] Seoul, 31 Dec (YONHAP)--South Korean construction firms signed 10.12 billion U.S. dollars worth of overseas building contracts in 1983, the Construction Ministry said Saturday.

The figure overran the ministry's earlier estimate of 9 billion dollars, but fell far short of 1982's 13.381 billion dollar mark by 24 percent.

The ministry attributed the larger-than-expected figure to success in winning a 3.3 billion dollar contract to build a waterway for Libya and other small contracts in middle eastern countries.

By nation or region, Libya topped the list with 3.93 billion dollars, a remarkable 270 percent jump from a year earlier. The Pacific region, which also showed a shopping 125 percent rise to 900 million dollars, placed second.

Third place went to Saudi Arabia, which recorded a considerable 48 percent drop from a year before to 4.34 billion dollars. The Southeast Asian region also registered a 49 percent decrease to 979 million dollars to place fourth.

Contract performance in the Central and South American region fell 97 percent to 2 million dollars, and 98 percent to 35 million dollars in Iraq.

The number of Korean construction firms engaged in overseas construction projects stood at 58 in 34 countries, including Lebanon and Zaire, as of the year's end.

CSO: 4100/041

ELECTRONIC ENTERPRISES COMPETE IN SETTING UP OVERSEAS FACTORIES

Seoul CHOSON ILBO in Korean 17 Nov 83 p 5

[Article by Kim Mun-sun: "Avoiding Import Barriers and In Search of Third Markets, Four Companies Are In Competition In the Silicon Valley." "Electronic Industry Circles Compete In Establishing Overseas Factories."]

[Text] Recently our domestic electronic industry enterprises have been launching competition in establishing their overseas factories. In 1982, the Kumsong Company built a color TV factory in Huntsville, Alabama, and scored an unexpected success. Then the Samsung Electronic Company built a color TV factory, with the capacity of producing 100 thousand television sets annually, in Portugal; and it is now pushing its effort to build a factory in the United States. The Hyundai Electronic Company, which belatedly started, established an on-the-scene corporation in the "Silicon Valley" in the United States and started to build a factory designed to produce semi-conductors and experimental computers. The Taeu Electronic Company, too, established an on-the scene corporation and is considering taking over an American factory there.

The reason why the electronic enterprises are pushing their building or take overs of overseas factories is that, as some observers put it, they are making management-oriented preparations for increasing exports by avoiding the increasingly high import restriction barriers and for quickly absorbing and developing advanced technology.

Stimulated by Kumsong "Miracles"

The lead-off runner among the electronic enterprises which are building overseas factories is the Kumsong Company (Ho Sin-ku). In 1981, the Kumsong Company started to build its on-the-scene factory in Huntsville, Alabama, after securing the factory site of 60,000 p'yong land and investing 5.5 million dollars. In October 1982, 1 year and 3 months after it started to build, a color television factory with the capacity of manufacturing 120,000 television sets annually was completed and launched into full-fledged operation.

The Kumsong Company, which has the record of having built the No 1 overseas factory of our enterprises, attained 100 percent rate of operation 6 months after the factory began the operation and made a surprising accomplishment of overcoming the profit-loss demarcation line.

Attaining the successful operation of its first factory, the Kumsong Company invested an additional 10 million dollars and raised the factory's capacity from the annual 120,000 sets to 450,000 sets; then it started to build an electronic range factory with the capacity of manufacturing 150,000 ranges annually.

The construction of the electronic range factory will be completed around the end of the year of the building site of 3,500 p'yong land. The ranges will have the brand of Gold Star. They will be exported to markets in the U.S., Central and South Americas and Europe. And, it is planned that the production facilities will be expanded to the extent that 500,000 ranges will be produced annually by 1985.

The Kumsong Company's on-the-scene factory in the U.S. (GSAI) issued public bonds of industrial demand and thereby procured its entire operational fund in its locality. Two hundred Americans are employed there. It is being regarded as an example of success in economic cooperation between the ROK and the U.S..

The Kumsong Company is planning to gradually expand the variety of products of its on-the-scene factory in the U.S. which would include air conditioners, washing machines and refrigerators.

#### Foundation of European Markets Is Set

Forested by others in launching into the U.S., the Samsung Electronic Company (Chong Chae-un) turned its eyes to European markets. In September 1982, it built a color television factory in Estrill [phonetic] City, Portugal and put it in full operation in a year's period. Entering into partnership with Portugal's Emersett [phonetic] Company and Britain's MRI Company, the Samsung Electronic Company invested 5 million dollars in the factory in Portugal, which obtained in July 1983 the PAL mode patent and thereby laid the foundation for penetrating the European markets. Up to that time, the Samsung Company could not export its products because the Telefunken Company of West Germany, which is the patentee country, did not give the patent license to those who are not PAL model televising countries. Now that the Samsung Electronic-Portugal factory obtained the PAL model patent license, it is now possible for it to open markets in those regions where PAL model televising is being practiced including Europe, Africa, the Middle East and South America.

The Samsung Electronic Company is planning to increase the factory's annual color television production capacity of 100,000 sets to 200,000 sets in 1984 and, in 1985, to 300,000 sets. It is also planning to produce electronic ranges and acoustic appliances. Furthermore, it is planning to start in December 1983 the construction of an on-the-scene factory in the U.S., which was formerly postponed, and to complete the construction in June 1984.

#### Construction of Samsung-America Will Begin Soon

It is planned that a factory will be built in Noxberry [phonetic]. [presumably Northvale] City, New Jersey on a site of 100,000 p'yong land with the investment of 19 million dollars; it will produce color television sets (390,000 sets) and electronic ranges (260,000 ranges).

In Silicon Valley in the U.S., a stronghold of the electronic industries of the world, our top domestic electronic enterprises including Kumsong, Samsung, Hyundai and Taeu are competing with one another in building an experimental product factory which would also serve as a technology development center. The Hyundai Electronic Company (Chong Chu-yong), which scored the first runs in the semiconductor and computer industries, invested 50 million dollars in March 1983 in the Silicon Valley and established an on-the-scene corporation called the Modern Electrosystem Company. Furthermore, it is building a semiconductor and computer experimental products factory on a site of 3,000 p'yong land.

#### Hyundai and Taeu Also Make Inroads

The Hyundai Electronic experimental products factory, which is scheduled to be completed in January 1984, and in which 10 million dollars were invested, will begin its production of experimental products in September 1984. Furthermore, the Hyundai Electronic Company will invest an additional 7 million dollars by the end of 1984 and will establish a separate production line where it will produce high class products to sell directly in U.S. markets.

The Taeu Electronic Company (Kim Yong-won), too, together with the Taeu Communications Company, a Taeu-affiliated company, established an electronic products designing consultant corporation in the Silicon Valley and is pushing its inroads into the scene. It is also said that the Taeu Company is considering taking over a Silicon Valley American electronic products factory.

The Samsung Semiconductor Communications Company (Kang Chin-ku), too, invested 30 million dollars and established in July 1983 an on-the-scene corporation called TRI. It developed its research development facilities in a factory built on a site of 600 p'yong land. This factory is scheduled to be put into operation some time this month; and, it is said that its first products will come out around December 1983.

As for the Kumsong Company, six Kumsong-affiliated companies, entering into a partnership, established in September 1983 the Lucky Kumsong Office in the Silicon Valley. They are making a survey to find whether it is adequate to build a semiconductor-computer factory.

The reason that our electronic enterprises are pushing the construction of overseas factories is above all to get around the protective trade barriers of advanced countries.

The U.S., the greatest export market of manufactured electronic products for our country, has increasingly stepped up import restrictions on ROK-made color television sets, including the imposition of anti-dumping duties.

Furthermore, the analyses by business circles indicate that the construction of overseas factories is also essential for quickly absorbing ultramodern technology and making inroads into third country markets, including those in Europe, Central and South America and Africa. If the construction of overseas factories of our domestic electronic enterprises is an unavoidable trend, it is imperative that excessive competition among the enterprises be avoided at least in their overseas activities.

BRIEFS

**BUDGET FOR GOVERNMENT-INVESTED COMPANIES**--The government Tuesday finalized a combined budget for the 25 government-invested enterprises at 8,343 billion won (10.4 billion U.S. dollars) for next year. According to the Economic Planning Board, the total budget represented an increase of 10.1 percent from this year's budget, but the capital budget, which reflects the government's actual investment next year, was reduced by 2.2 percent to 3,369 billion won (4.2 billion dollars) from 3,441 billion won (4.3 billion dollars) in 1983. The 25 firms included the Korea Development Bank, the Small and Medium Industry Bank, the Korea Electric Power Corp., Korea Housing Corp. and the Korea Broadcasting System. The number of employees in those enterprises will be increased by 1,724 next year to 129,687. The one-year personnel increase in 1983 was 8,808 persons. EPB said that the expenses for management and maintenance of the government-financed firms were frozen at this year's level and pay hikes for their employees will be limited to the amount of promotion to keep pace with the government's efforts to stabilize prices. The government estimated that the 25 firms will produce 440.9 billion won (551 million dollars) in net profits next year, up 109 percent from 210.7 billion won (263 million dollars) in 1983. [Text] [SK280508 Seoul YONHAP in English 0322 GMT 28 Dec 83]

**DISMISSAL OF AGRICULTURE MINISTER**--The largest opposition Democratic Korea Party decided yesterday to initiate a recommendation for the resignation of Agriculture-Fisheries Minister Park Chong-mun in a meeting of its lawmakers' general caucus. The party argued that Minister Park should resign, bearing responsibility for the failure of agricultural policies, including the purchase of this year's rice crops from farmers at the same price as last year's. During the meeting, some junior lawmakers demanded that all key post holders of the party resign en bloc to give party President Yu Chi-song a free hand in reorganizing the party hierarchy in preparation for the next general election. They also claimed that the leading party officials should assume responsibility for the "inconsistent floor strategies" of the regular House session ending today. The motion against Minister Park will not be dealt with directly by the plenary session but by a steering committee. [Text] [SK160120 Seoul THE KOREA TIMES in English 16 Dec 83 p 1]

**EXPORT PERFORMANCE FOR 1983**--South Korea has shown a satisfactory export performance only in the fields of shipbuilding and a few other industries this year, while most of its main export industries failed to reach their export

targets, according to an industry report Saturday. In its analysis of this year's performance of 18 main export commodities, the Korean Traders Association said shipbuilders have delivered 3.6 billion U.S. dollars of ships to foreign clients, up 26.3 percent from the original target. Exports of electronics products have totaled 2.9 billion dollars so far, up 18.3 percent from the target, and manufacturers of kitchen utensils, tires and canned foods have surpassed their export targets slightly, the report showed. Most other industries, however, have failed to achieve their export targets this year, the report added. The greatest setback was seen in the textile industry, which has exported 2.85 billion dollars worth of items, down 9.6 percent from its original target. Such industries as plastics, cars, steel and iron, footwear and containers also have fallen short of their export targets, according to the report. [Text] [SK240213 Seoul YONHAP in English 0202 GMT 24 Dec 83]

CONSTRUCTION FORECAST--Seoul, 29 Nov (YONHAP)--South Korea Construction firms' activities in the Middle East are expected to show solid signs of recovery in 1985 and 1986, a Federation of Korean Industries (FKI) report said Tuesday. The FKI study report on prospects and strategies for the Middle East construction market forecasted that building orders received from the region in 1985 would reach the 1982 level of 51.2 billion U.S. dollars. The probable recovery of the nation's construction industry in the region will come largely from Iraqi and Libyan plans for expanding investments in social overhead capitals in 1985, and growing construction demand in Oman, Sudan and Egypt, the report said. However, in 1983 and 1984, the value of construction orders received from the market will total less than half the 1982 amount, the report added. To cope with recent difficulties in the nation's largest overseas construction market, the report said local construction firms should further promote bilateral cooperation in the construction field between Korea and Arab nations, and expand their advanced into Southeast Asia and Africa. [Text] [Seoul YONHAP in English 0321 GMT 29 Nov 83 SK]

ISLANDS POPULATION--Seoul, 10 Dec (YONHAP)--South Korea currently occupies 3,279 islands around its peninsula, 165 islands less than at the end of 1980, according to a government report released Saturday. In a survey report of the nation's islands, the Home Ministry said a total of 556,398 people, or 1.4 percent of the nation's whole population live on 544 islands, while 2,735 islands remain uninhabited. The report attributed the decrease in the number of islands to such factors as reclamation works and bridging. As a result of the up-graded living standards of the islanders, the rate of population decrease on the islands was lowered substantially from 6.7 percent in 1980 to 1.3 percent in 1982, the report said. The islanders' average yearly household income increased 50 percent from 2.4 million won (about 3,000 U.S. dollars) in 1980 to 3.6 million won (about 4,500 dollars) in 1982. [Text] [Seoul YONHAP in English 0920 GMT 10 Dec 83 SK]

BUSINESS TALKS--Seoul, 29 Dec (YONHAP)--South Korea's Chamber of Commerce and Industry (KCCI) held 1,765 business talks with domestic and foreign entrepreneurs in 1983. The figure is up seven percent from 1982, the KCCI reported Thursday. Talks on joint ventures topped the list with 689 cases, those on technical tie-up came next with 269 cases, followed by those on overseas investment with 229 cases and those on borrowing foreign loans with 18 cases,

a KCCI official said. Of the total cases, 287 were held with foreigners--185 for joint venture and 48 for technical tie-up, the official said. The increase of talks on overseas investment from 74 cases in 1982 to 229 in 1983 is attributed to the stepped-up efforts of Korean businesses to seek business opportunities on overseas markets, he said. [Text] [Seoul YONHAP in English 1138 GMT 29 Dec 83 SK]

CSO: 4100/041

S. KOREA/SOCIAL CONDITIONS

BRIEFS

INFLUENZA WARNING ISSUED--Seoul, 30 Dec (YONHAP)--The South Korean Health and Social Affairs Ministry issued an influenza warning to all cities and provinces across the nation Friday when the World Health Organization notified it that the Brazilian Type-A flue has been discovered in Japan. The ministry also instructed them to take preventive measures against the possible outbreak of the flue in this nation. Those who catch the flue will suffer from a high fever, chills, a bad cough, fatigue, and will have swollen tonsils, a ministry official said. The ministry recommended the elderly, children, students, soldiers and group workers to be inoculated against the flue as soon as possible. The Brazilian Type-A flue swept through the country in 1977 and 1979. [Text] [SK300701 Seoul YONHAP in English 0606 GMT 30 Dec 83]

ANTI-CRIMINAL SQUAD FORMED--The prosecution has formed special anti-criminal corps composed of policemen and trained security guards to intensify the control of hooliganism at railroad stations and bus terminals during the yuletide and new year period. They will check pickpockets, ticket scalpers, and anyone accosting women or cutting in ticket lines at the terminals and railroad stations 24 hours a day. The prosecution will indict those violators summarily with severe punishment. The special anti-criminal corps will be composed of 156 policemen, and 99 train security guards. They will be stationed at 78 places including Seoul Railroad Station, Yongsan Intercity Terminal and on 16 trains. The intensive control of hooliganism will continue through the yuletide and new year period. [Text] [SK240011 Seoul THE KOREA TIMES in English 24 Dec 83 p 8]

CSO: 4100/041

S. KOREA/SCIENCE AND TECHNOLOGY

BRIEFS

AUSTRALIAN MINISTER--Seoul, 22 Nov (YONHAP)--Australian Science and Technology Minister Barry Owen Jones arrived here Tuesday to discuss increasing science and technology cooperation with South Korea. During his five-day stay, Jones will pay a courtesy call on President Chon Tu-hwan and meet with other government officials, including his Korean counterpart Yi Chong-o. The Australian minister also will visit the Korea Advanced Institute of Science and Technology (KAIST), industrial complexes across the nation and other government-affiliated institutes before leaving for Tokyo Saturday. [Text] [Seoul YONHAP in English 0548 GMT 22 Nov 83 SK]

CSO: 4100/041

S. KOREA/FOREIGN RELATIONS

DAILY HOPES JAPAN'S ROK POLICY REMAINS UNCHANGED

SK280033 Seoul THE KOREA HERALD in English 28 Dec 83 p 4

[Editorial: "Nakasone's New Cabinet"]

[Text] Japanese Prime Minister Yasuhiro Nakasone, after gaining reelection to office, has formed an almost entirely new cabinet. His new start seems well grounded considering what was generally regarded as a defeat for his ruling Liberal Democratic Party in the 18 December general elections.

He has boosted the LDP's effective strength to 267 seats in the 511-member House of Representatives by forging an alliance with the eight-seat New Liberal Club after recruiting nine independents immediately following the election. It is largely due to Nakasone's political leadership and craftsmanship that he has turned the election losses into a change for a fresh start. Thus he has solidly established himself for reelection next November to another two-year term as party president by overcoming squabbling among rival factions within the LDP. No less important, he won the alliance of the NLC, which was formed in 1976 when a group of LDP members quit the party in protest against former Prime Minister Kakuei Tanaka's involvement in the Lockheed bribery scandal.

This has helped impress Japanese voters with Nakasone's resolve to distance himself from Tanaka, whose recent court conviction triggered the elections.

It is noteworthy that, despite its failure to win a simple majority of legislative seats in the election, the LDP garnered well over the majority of total votes cast. This reflects the Japanese people's continued support for conservatism. It is encouraging to see Nakasone continue to carry out conservative policies with a relatively stable majority.

Especially noteworthy is that Foreign Minister Shintaro Abe regained his cabinet post, as did Finance Minister Noboru Takeshita. They are the only two cabinet holdovers in what can be interpreted as Nakasone's resolve to keep Japan's foreign policy intact.

Ever since taking office, Nakasone has unequivocally emphasized the need to deter Soviet expansionism in Northeast Asia in terms more forceful than any of his predecessors. Thus he has championed Tokyo's close cooperation with Washington, Seoul and Beijing.

Nakasone, it should be recalled, made his first official trip overseas by visiting Seoul last January. And he has made more efforts than any of his predecessors in the interests of insuring peace and stability in Northeast Asia. He is expected to continue such efforts in policies that will be undeniably helpful for stability and peace in the region.

Upon taking office Nakasone said that because South Korea is an important neighbor for Japan, any problems pending between the two countries must be resolved as soon as possible, then he visited Seoul.

But there still remain issues that require solutions such as the correction of the trade imbalance that is lopsided in Tokyo's favor and the increased transfer of high technology to Korea. We hope that the new Nakasone cabinet will show a genuine spirit of mutual cooperation on those issues.

The latest elections and the revamping of the cabinet indicate that the political climate in Japan is subject to change--even if within the boundaries of that nation's time-honored conservatism.

We are also interested in the election defeats of key Japanese members of the Japan-North Korea Parliamentarians' Friendship League--including its chairman, Chuji Kuno. Their defeats followed Japanese condemnation of Pyongyang for the Rangoon massacre and Tokyo's reduction in exchanges with North Korea.

Tokyo's policy toward the Korean Peninsula should be pursued to insure healthy relations between Seoul and Tokyo which are unquestionably essential to keeping Northeast Asia stable and peaceful.

CSO: 4100/041

S. KOREA/FOREIGN RELATIONS

JAPAN SEEKS INTENSIFIED POLITICAL TIES WITH ROK

SK050127 Seoul THE KOREA HERALD in English 5 Jan 84 p 1

[Text] Tokyo (YONHAP)--The Japanese Government plans to further intensify political relations with Korea on the 20th anniversary of the normalization of relations between the two countries next year, the Kyodo News Service reported Tuesday.

Under this program, the first Korea-Japan political consultation meeting will be held in Seoul in March, the Korea-Japan foreign ministers' conference and the annual ministerial meeting in summer.

Furthermore, Japan will actively seek a visit to Japan by President Chon Tu-hwan this year.

Kyodo said although it is not easy for President Chon to visit Japan this year because of various reasons, including Korea's domestic situation, the Japanese Government will positively promote Chon's Japan visit as a symbol of the existing friendship between the two neighbor countries.

Japan will also actively back up the efforts being rendered by the Seoul Government to ease tension on the Korean Peninsula through the forthcoming policy consultation and ministerial conferences.

The news agency said the Korean Government seems to have excluded Chon's visit to Japan from its diplomatic itinerary for this year because of the anti-Japanese sentiments still residual among many Koreans, the Seoul Government's policy to place diplomatic priority on nonaligned countries, and because of the defeat suffered by the Japan ruling Liberal Democratic Party in recent general elections.

However, Kyodo added, Prime Minister Yasuhiro Nakasone has strong hopes for President Chon's visit to Japan in 1984 as a symbol of renewed relations between the two countries on the occasion of the 20th anniversary of those relations.

CSO: 4100/041

S. KOREA/FOREIGN RELATIONS

VICE-MINISTER TO DISCUSS TURKISH N-POWER PLAN

SK200120 Seoul THE KOREA HERALD in English 20 Dec 83 p 1

[Text] Korean participation in the construction of a Turkish nuclear power station, the dispatch of a Korean medical team to Saudi Arabia and the inducement of Saudi credits will be discussed when Vice Minister of Foreign Affairs No Chae-won visits the two countries, it was announced yesterday.

The Ministry of Foreign Affairs announced that No will leave Seoul today to attend the third meeting of the Korea-Turkey Joint Committee 22-24 December and the seventh meeting of Korea-Saudi Arabia Joint Committee 25-28 December.

The Korean and Turkish governments will resolve some problems concerning the signing of a nuclear power station construction contract, the ministry said.

Korea Heavy Industries and Construction Co. and Atomic Energy of Canada Ltd., which had virtually won the \$670 million contract in a joint bid, are scheduled to sign in next April if the problems are solved. The Korean company's share was learned to be \$250 million.

The ministry said the governments will also confer on the possibility of Korean participation in the construction of the \$10 billion Atatruk Dam and the advance of Korea's electronics industries into Turkey's free trade zone.

No is scheduled to sign an agreement on the avoidance of double taxation while in Turkey.

In Saudi Arabia, it said, No will negotiate an early payment of overdue contract money to Korean construction companies. It was learned that about \$1.7 billion is in arrears.

The Korean and Saudi governments will confer on the expansion of soft loans from the Saudi Fund for Development (SDF). Saudi Arabia agreed in principle in October to provide a \$50 million credit for the construction of a tide embankment in Pusan.

It was learned that the Seoul government is seeking additional SDF credits for the construction of another tide embankment at the mouth of Yongsan River.

Disclosing that the government has decided to send 200 medical doctors, 400 nurses and 400 medical technicians to Saudi Arabia, the ministry said details concerning the dispatch of the medical team will be discussed with the Saudi government.

It said officials from the Ministries of Commerce and Industry, and Construction will accompany the vice foreign minister.

CSO: 4100/041

S. KOREA/FOREIGN RELATIONS

AUSTRALIAN PRIME MINISTER TO VISIT SEOUL

SK180309 Seoul YONHAP in English 0230 GMT 18 Nov 83

[Text] Yonhap, 18 Nov (YONHAP)--Australian Prime Minister J. L. Hawke will make an official visit to Seoul early next year at the invitation of the Korean Government, the Foreign Ministry said Friday.

The details of his itinerary will be made final later through diplomatic channels, the ministry said.

During his trip, Hawke will hold summit talks with President Chon Tu-hwan and exchange views on the promotion of bilateral relations and other matters of common concern.

Chon and Hawke are expected to review Northeast Asian and Pacific situations in the wake of the Pyongyang-engineered bomb attack in Rangoon 9 October and discuss Australia's policy toward the Korean Peninsula. The Rangoon bomb blast killed 17 members of the Korean presidential entourage accompanying Chon to Burma on the first leg of Chon's Asian-Oceanic tour.

Chon called off the remainder of his 18-day tour that had been scheduled to take him to India, Sri Lanka, Australia, New Zealand and Brunei.

Chon and Hawke also are likely to discuss the strengthening of diplomatic co-operation in the international community and the expansion of two-way trade and economic relations.

To further develop the two nations' cooperative friendship, "Hawke's visit will offer a chance to further develop the two nations' cooperative friendship," a ministry official said. He added Hawke's trip is not a substitute for Chon's canceled visit to Australia.

Hawke will be the second Australian prime minister to come to Seoul since the establishment of Korea's Fifth Republic in 1981 and the first premier from Australia's Labor Party to do so. Former Prime Minister Malcolm Fraser traveled to Korea in May 1982.

Hawke reportedly also will visit Mainland China or Japan.

CSO: 4100/041

## S. KOREA/FOREIGN RELATIONS

### LAWMAKERS' GROUP TO TOUR NONALIGNED NATIONS

SK280113 Seoul THE KOREA HERALD in English 28 Dec 83 p 1

[Text] A total of 15 lawmakers' groups will take tours abroad, especially to nonaligned nations, next year to help secure the Republic of Korea's "diplomatic supremacy" over North Korea.

The plan was revealed by Rep Yi Chong-chan, floor leader of the ruling Democratic Justice Party, during a weekly meeting of senior office-holders held yesterday morning.

Consisting of about three members of the National Assembly, each group is expected to visit four to five countries to meet with their foreign counterparts on issues of mutual concern.

The so-called "parliamentarians' diplomacy" will focus on the Third World and countries that maintain no diplomatic ties with Seoul, he was quoted as having said.

Much of the diplomatic efforts by lawmakers will be carried out during the first half of next year as campaigning for parliamentary elections will be in full swing thereafter.

Legislators on the official tours overseas will meet with their foreign counterparts or other government officials to give them a "correct" picture of current-day Korea. Some political observers earlier expressed doubts about the effectiveness of lawmakers' "diplomatic functions."

The parliamentarians' diplomacy is part of the government's efforts to beef up ties with nonaligned countries to isolate the North Korean regime from the world political arena in the aftermath of the Rangoon terrorist bombing.

Once cut off from the world completely, government officials believe, North Korea will have little choice but to return to the negotiating table to settle inter-Korean issues.

At present, Seoul has diplomatic relations with 121 countries, while the North Korean regime maintains official relations with 101 nations.

Outraged by the Rangoon bombing which killed more than 20 persons including 17 Koreans, the Comoros and western Somoa recently broke off diplomatic ties with the communist regime in Pyongyang.

The ruling party evaluated that the 70th Inter-Parliamentary Conference, held in Seoul last October, has provided Korea with a good opportunity to bolster its diplomatic strength, although communist-bloc nations did not attend the meeting.

The ruling camp believes that the Pyongyang regime is now in the diplomatic doghouse, having been found responsible for the Rangoon atrocity.

CSO: 4100/041

## S. KOREA/FOREIGN RELATIONS

### BRIEFS

ENVOY TO PAKISTAN--Seoul, 21 Nov (YONHA)--The South Korean Government appointed O Chae-hui, charge d'affaires to Pakistan, as its first ambassador to Islamabad Monday. Korea and Pakistan established full diplomatic relations 7 November. O, 51, a career diplomat from Taegu, North Kyongsang Province, has served as counselor at Korean embassies in Britain and Norway, minister to Japan and the United States, and consul-general to Islamabad. [Text] [SK230707 Seoul YONHAP in English 0234 GMT 21 Nov 83]

GOVERNMENT APPOINTMENTS--Seoul, 19 Nov (YONHAP)--The government appointed Chon Pae-sik, counselor at the Korean Embassy in Switzerland, Saturday to serve as its consul general to Brunei. It also named former ambassador to Gabon Ham Tae-hyok as chief of faculty at the Institute of Foreign Affairs and National Security at the Foreign Ministry. [Text] [SK230707 Seoul YONHAP in English 0529 GMT 19 Nov 83]

FISHERIES ACCORD--Seoul, 23 Nov (YONHAP)--South Korea and Australia Wednesday signed a bilateral fisheries agreement that enables South Korean fishermen to operate within 200 nautical miles off Australian coasts, the Foreign Ministry announced. The agreement, signed in Canberra by South Korean Ambassador to Australia Kim Sang-ku and Australian Minister for Primary Industry John Kerin, will become effective after both nations' parliaments ratify it, the announcement said. [Text] [SK230707 Seoul YONHAP in English 0106 GMT 23 Nov 83]

TRAINING SEMINAR--Seoul, 23 Nov (YONHAP)--A joint South Korean-West German vocational training seminar opened here Wednesday with Labor Minister Chong Han-chu, German Ambassador to Korea Wolfgang Eger, and more than 300 Korean entrepreneurs and scholars participating. "Korea, deficient in natural resources, should make effective use of its plentiful manpower to achieve its goal of becoming an advanced country," Chong said in his opening address. "I will exert my effort to help industries supply the manpower they need through vocational training," Chong added. During the two-day seminar, six vocational training experts from both countries, including Professor Schoenfeldt of Kassel University, will make presentations on vocational training, a ministry official said. [Text] [Seoul YONHAP in English 0155 GMT 23 Nov 83 SK]

SALVADORAN VISITOR--Seoul, 24 Nov (YONHAP)--Vice Foreign Minister Alejandro Gomez Vides of El Salvador will visit South Korea 27 November for a four-day trip at the invitation of his Korean counterpart No Chae-won, the Foreign

Ministry said Thursday. While in Korea, Gomez will meet with No and other government officials to discuss matters of mutual concern. His itinerary includes a tour of industrial complexes in southern Korea. The Central American nation established diplomatic ties with South Korea in 1962. [Text] Seoul YONHAP in English 0548 GMT 24 Nov 83 SK]

AMBASSADOR NAMED--Seoul, 29 Nov (YONHAP)--Pak Chong-sang, minister at the Korean Embassy in Washington, was named Korean ambassador to Kuwait Tuesday, the Foreign Ministry said. Pak, 54, a native of Chungdo, North Kyongsang Province, had served as first secretary at the embassy in Canada, counsellor at the embassies in Malaysia and Belgium, consul general in Toronto, Canada, and director of the ministry's Middle Affairs Bureau. [Text] [SK300521 Seoul YONHAP in English 1110 GMT 29 Nov 83]

MARITIME TALKS--Han Jun-sok, administrator of the Korea Maritime and Port Administration (KMPA) yesterday met J. Dubois, director of the Le Havre Port Authority in France to discuss ways to promote maritime cooperation between Korea and France. Administrator Han praised Dubois for his contribution to improving cooperative relations between Inchon Port and the French port. The European Port Authority participated in constructing lock gates in Inchon Port and established sisterhood ties with Inchon Port in October 1977. Han expressed his gratitude to the 54-year-old French director for supporting the KMPA in such a positive way that it will be able to host the 15th General Assembly of the International Association of Ports and Harbors (IAPH) in Seoul in 1987. Dubois, who assumed his present post in 1974 served as chairman of the 11th General Conference of IAPH held in Le Havre in 1979. He is concurrently an executive IAPH member. In his meeting with Han, Dubois invited the KMPA administrator to his country. Le Havre is the second largest port in France and the third largest in Europe. The French port, equipped with six lock chambers and 12 lock gates, is capable of handling 79 million tons of seaborne cargo. [Text] [SK300521 Seoul THE KOREA HERALD in English 29 Nov 83 p 8]

WORLD LAW CONFERENCE--Seoul, 30 Nov (YONHAP)--The Korean Federal Bar Association (KFBA) will host the 13th World Conference of Law, scheduled for 1987, KFBA said Tuesday. KFBA President Yi Pyong-yong said that the association soon will invite staff members of the International Legal Organization to discuss the matter with them. The Seoul World Legal Conference aims at promoting legal information exchanges, thus helping increase Korea's international trade in accordance with the Korean Government's open-door policy. The World Conference of Law was founded in Washington in 1960 at the proposal of Charles Rhyne then the president of the American Bar Association. The 11th biannual meeting was held in Cairo, Egypt, last September with 3,000 legal experts from 130 countries attending. [Text] [SK300521 Seoul YONHAP in English 0116 GMT 30 Nov 83]

NEW APPOINTMENTS--Seoul, 2 Dec (YONHAP)--The Korean Government appointed O Chae-ki, director general of the Consular and Overseas Residents Affairs Bureau at the Foreign Ministry, to serve as its consul general to Sao Paulo, Brazil, Friday. O succeeds Yun Sok-hung, who has been transferred to the Foreign Ministry. Meanwhile, it also named Chong Po-yong, assistant director general for passports

at the Consular and Overseas Residents Affairs Bureau, as consul general to Ghana, replacing Yi Tong-yon, who also was assigned to the Foreign Ministry. [Text] [SK020621 Pyongyang KCNA in English 0525 GMT 2 Dec 83]

DIPLOMATS TO VISIT--Seoul, 3 Dec (YONHAP)--Two European prime ministers and one foreign minister from the region will visit Seoul in the first half of 1984 at the invitation of the South Korean Government, a Foreign Ministry source said Tuesday. French Prime Minister Pierre Mauroy, Belgian Prime Minister Wilfried Martens, and British Foreign Minister Geoffrey Howe will visit Korea next year, the source said. He also said South Korean Foreign Minister Yi Won-kyong will tour Europe next year in an effort to intensify the nation's diplomacy with that continent. He noted that the visits are aimed at further consolidating friendly relations and expanding economic cooperative relations with South Korea's European allies. [Text] [SK150521 Seoul YONHAP in English 0611 GMT 13 Dec 83]

FIJI ENVOY--The Fiji Government has appointed Joseph David Gibson, currently ambassador in New Zealand, as ambassador to Korea, the Ministry of Foreign Affairs said yesterday. Gibson, who has served in Britain, West Germany and the Netherlands, will concurrently serve Korea and Japan, residing in Tokyo, the ministry said. [Text] [SK080615 Seoul THE KOREA HERALD in English 8 Dec 83 p 1]

PRESIDENTIAL SECRETARY--Presidential Secretary General Kang Kyong-sik left yesterday for a tour to three Middle East and African nations in the capacity of presidential emissary, it was announced at Chongwadae. He will discuss with government officials of these countries, including the heads of state, increased cooperation between Korea and their countries. He will also exchange a wide range of opinions with the leaders on the latest political situation on the Korean Peninsula. [Text] [SK080615 Seoul THE KOREA TIMES in English 8 Dec 83 p 1]

YUGOSLAVIAN GROUP--Seoul, 6 Dec (YONHAP)--The eight-member Yugoslavian martial arts squad arrived Monday afternoon to participate in the first international collegiate Taekwondo championships here. The Yugoslavian team, composed of five Taekwondoists and three officials, will compete with some 70 martial arts experts from 14 countries, including South Korea and the United States. The three-day event will be held Friday at a local university. [Text] [SK080615 Seoul YONHAP in English 0805 GMT 6 Dec 83]

INTERNATIONAL SPEEDPOST--Seoul, 20 Dec (YONHAP)--South Korea and Sweden will mutually initiate special mail delivery service, commonly called "speedpost," 1 January 1984, the Communication Ministry announced Tuesday. This will bring to 17 the number of countries that maintain a speedpost agreement with Korea. Countries, which currently hold the agreement with Korea, are the United States, Britain, Canada, Hong Kong, Singapore, Taiwan, Kuwait, Japan, France, Switzerland, Australia, West Germany, the Netherlands, Malaysia, Belgium and Qatar. International speedpost, the quickest of all posting services among nations, is usually used for delivery of business and official documents. [Text] [Seoul YONHAP in English 0125 GMT 2- Dec 83 SK]

PAKISTAN-SOUTH KOREA--Seoul, 16 Dec (YONHAP)--South Korea, in an agreement with Pakistan, will open a Korean consulate general in Karachi, the Foreign Ministry announced Friday. Chin Kwan-sop, director of the Korean Trade Office in Karachi, has been promoted to the position of consul-general, the ministry said. Chin was born in Seoul in 1933. After graduating from Chosun University in the southern province of Cholla-Namdo, he joined the Foreign Ministry in 1961. [Text] [Seoul YONHAP in English 1213 GMT 16 Dec 83 SK]

ENVOY TO JAPAN--Seoul, 20 Dec (YONHAP)--The South Korean Government Tuesday decided to appoint its ambassador to Japan Choe Kyong-nok to serve another special one-year term next year, it was learned. Choe, whose tenure had expired as of the end of 1982, was serving a special one-year term this year. The appointment for the second special term will be effective 1 January 1984. [Text] [SK210515 Seoul YONHAP in English 0233 GMT 20 Dec 83]

AMBASSADORS PRESENT CREDENTIALS--Seoul, 21 Dec (YONHAP)--President Chon Tu-hwan received credentials Wednesday from Papua New Guinea's new ambassador to Seoul Joseph Kaal Nombri. Sudan's new ambassador to Seoul Saeed Saad Mahgoub Saad also presented his credentials to the South Korean president. Meanwhile, Chon gave credentials to Pak Chong-sang, a newly appointed South Korean ambassador to Kuwait. [Text] [SK210515 Seoul YONHAP in English 0252 GMT 21 Dec 83]

AMBASSADOR TO BRITAIN--Seoul, 21 Dec (YONHAP)--The South Korean Government has appointed its ambassador to Britain Kang Yong-hoon to be concurrently accredited to Ireland. Kang, 61, a native of Changsung, North Pyongan Province (now part of the North Korean territory), retired from the Korean army with the rank of Lieutenant General in 1961 and took his post in London in 1981. [Text] [SK270603 Seoul YONHAP in English 1014 GMT 21 Dec 83]

EX-PRIME MINISTER--Seoul, 24 Dec (YONHAP)--Former Prime Minister Sin Hyon-hwak was elected chairman of the Korea-Japan Cooperation Committee Friday. Sin, 63, replaces Nam Tok-u, who has concurrently headed the Korean Traders Association. [Text] [SK270603 Seoul YONHAP in English 0101 GMT 24 Dec 83]

GUERRILLAS ATTACK FISHING BOAT--Seoul, 24 Dec (YONHAP)--A South Korean fishing vessel operating in the Atlantic Ocean off northwestern Africa was attacked by Polisario guerrillas Friday, the Foreign Ministry said Saturday. Three, including the skipper, of the 24-member crew were kidnapped. Five were missing, and the other 16 were rescued, according to the report from the South Korean consulate general in Las Palmas. The report said the trawler, a joint venture of Korea's Seil Fisheries Co. and Morocco's Squid Co., was attacked by hand grenades and machinegun fire at 7:40 p.m. (local time) Friday. The body of the ship was damaged seriously but the ship did not sink, the report added. Those who were kidnapped by the guerrillas were Skipper Pak Song-chu, Chief Navigation Officer Kim Su-chong, and Deck Hand Kim Yong-il. Engine Men Chun-ki, Sin Wang-su and Kim Yong-sik, Cook Sin Myong-to, and Refrigeration Worker Pak yi-kyu were missing. A patrol boat sent by Moroccan authorities extinguished the fire on the trawler and launched search for the missing, the report said. Other fishing boats operating in nearby waters have joined the search. [Text] [SK240647 Seoul YONHAP in English 0633 GMT 24 Dec 83]

CHON EXTENDS THANKS--Seoul, 24 Dec (YONHAP)--President Chon Tu-hwan Saturday cabled his thanks to Prime Minister Tofilau Eti of Western Samoa for the South Pacific nation's diplomatic retaliation against North Korea, the presidential office said. Western Samoa Thursday broke diplomatic relations with North Korea in response to its October bomb attack on a South Korean presidential delegation in Rangoon. Four Burmese and 17 South Koreans, including four cabinet ministers, were killed in the terrorist attack. The South Pacific nation is one of the four countries that severed diplomatic ties with North Korea in retaliation for its Rangoon terror. The other three are Burma, Costa Rica and the Comoros. In Saturday's cable, Chon said such steps as were taken by Western Samoa would contribute greatly to preventing international terror. [Text] [SK240655 Seoul YONHAP in English 0636 GMT 24 Dec 83]

BRUNEI, CARIBBEAN DIPLOMATIC MOVES REPORTED--Seoul, 28 Dec (YONHAP)--The South Korean cabinet Wednesday decided to upgrade the Korean consulate general in Brunei to an embassy as the country on the Borneo Island in the South China Sea becomes independent from Britain 1 January. The move came in a cabinet meeting during which ministers acted on amendments to regulate Korean diplomatic missions overseas. The cabinet also decided to establish a Korean embassy in St Kitts and Nevis. The Korean Embassy in Barbados will concurrently serve as Korean diplomatic mission to St Kitts and Nevis. The revision also calls for the Korean Embassy in Barbados to serve concurrently as Korean diplomatic missions to Grenada and to Antigua and Barbuda. Currently, the Korean Embassy in Venezuela covers Grenada, and the one in Dominican Republic covers Antigua and Barbuda. [Text] [SK280743 Seoul YONHAP in English 0738 GMT 28 Dec 83]

PRESIDENTIAL SECRETARY--Kang Kyong-sik, presidential secretary general, returned yesterday from a three-week tour of four countries in Africa and the Middle East. While in those countries he discussed with government leaders there the promotion of bilateral cooperation and friendship. [Text] [SK300605 Seoul THE KOREA HERALD in English 30 Dec 83 p 1]

PRIME MINISTER TO VISIT--Seoul, 5 Jan (YONHAP)--Saint Lucia's Prime Minister John G. M. Compton will visit South Korea 9-12 January at the invitation of his Korean counterpart Chin I-chong, the Foreign Ministry said Thursday. During his four-day trip, Compton will meet with Chin and other government leaders to discuss closer cooperation between both countries and other matters of mutual interests. He will call on President Chon Tu-hwan, and tour industrial facilities here and in Southern Korea. Compton also will visit truce village of Panmunjom in the demilitarized zone separating South and North Korea. Saint Lucia established diplomatic relations with South and North Korea in 1979 when the Caribbean nation gained full independence from Britain. [Text] [SK050116 Seoul YONHAP in English 0053 GMT 5 Jan 83]

LIBYAN DELEGATION ARRIVES--A six-man delegation led by Muhammad az-Zarruq Rajab, chairman of the General People's Congress of Libya, and his wife arrived in the ROK on the afternoon of 19 December at the invitation of National Assembly Speaker Chae Mun-sik. The delegation will stay in the ROK until 22 December. The delegation is expected to pay courtesy calls on the officials of the executive and legislative branches, including Prime Minister Chin Ui-chong, and to inspect industrial facilities. [Text] [SK190952 Seoul TONG-A ILBO in Korean 19 Dec 83 p 2]

## S. KOREA/FOREIGN TRADE

### BRIEFS

TRADE MISSION--Seoul, 23 Nov (YONHAP)--A 14-member Mauritian trade mission, led by Deputy Prime Minister Gaepan Dubal, will arrive in South Korea 27 November on a four-day visit to discuss closer economic cooperation between the two nations, the Foreign Ministry said Wednesday. While in Korea, the Mauritian delegation, including Economic Planning and Developing Minister Satcan Boolell will meet with Deputy Prime Minister Sin Pyong-hyon, Foreign Minister Yi Won-kyong, other government officials in charge of economic affairs, and Korean business leaders to talk over the inducement of Korean investment in the Indian Ocean country and the strengthening of bilateral relations. The trade mission also will call on President Chon Tu-hwan, and tour industrial facilities in southern Korea. The island country established diplomatic ties with South Korea in 1971. [Text] [Seoul YONHAP in English 0159 GMT 23 Nov 83 SK]

GATT DELEGATION--Seoul, 21 Nov (YONHAP)--South Korea has sent a nine member delegation led by Ambassador to Geneva Pak Sang-yong to the 30th General Assembly of the General Agreement on Tariffs and Trade (GATT) scheduled for 21-24 November in Geneva. The South Korean delegation is expected to call on industrialized nations to remove their protectionist policies imposed on goods manufactured in developing countries. Government sources pointed out that the relaxation of protectionism is the most urgent task the GATT faces because of the staggering international economy. The delegation will also inform member nations of Korea's efforts to liberalize its restrictions on imports, they said. [Text] [Seoul YONHAP in English 0304 GMT 21 Nov 83 SK]

BANANA IMPORTS--Seoul, 25 Nov (YONHAP)--The Korean Government has decided to lift the embargo on banana imports effective April 1984. The decision is expected to pave way for banana imports of 10,000 to 20,000 tons per year from the Philippines, Taiwan, Thailand and Ecuador, according to a recent report submitted to the National Assembly by Agriculture-Fisheries Ministry. The banana imports will be arranged as a trade-off for Korean fruit including apples and pears. Korea imported bananas beginning in 1976 but the government banned their import in 1981 in a bid to protect the country's fruit growers. Korea's embargo invited protests from exporters of the tropical fruit prompting the Philippines to hold back its decision to buy Korean fertilizer and Taiwan to take retaliation with a ban on Korean pears. [Text] [SK280611 Seoul YONHAP in English 0950 GMT 25 Nov 83]

EXPORTS INCREASE--Seoul, 2 Dec (YONHAP)--South Korean's commodity exports in November totaled 1.8 billion U.S. dollars, up 34 percent from a year earlier, the Ministry of Commerce and Industry said Friday. This brings total exports during the first 11 months in 1983 to 21.6 billion dollars, accounting for 92 percent of the export goal for 1983. The nation's exports for the January-November period showed a 9.9 percent increase from the corresponding period in 1982. South Korea is expected to achieve its 23.5 billion dollar export target as it recorded the highest monthly export growth rate, 34 percent in November. Arrivals of export letters of credit (l/c) in November reached 1.4 billion dollars, up 13.7 percent from a year ago. The arrivals of l/c in the first 11 months in 1983 amounted to 15.5 billion dollars, showing a 6.3 percent increase from the same period in 1982. [Text] [Seoul YONHAP in English 0110 GMT 2 Dec 83 SK]

ROK-JAPAN SILK TALKS--Seoul, 3 Dec (YONHAP)--South Korea and Japan Friday agreed to set next year's export quotas on Korean raw silk and silk yarn produced in 1982 at 8,000 bales and 6,300 bales, respectively. However, after two days of talks held at the Korean Foreign Ministry, the two sides failed to reach an agreement on a quota for silk fabrics produced in 1982. Kim Pyong-yon, the Foreign Ministry's director general of Asian affairs, led the Korean delegation, while Japan's representatives were headed by Yoshihisa Ara, a minister at the Japanese Embassy in Seoul. The 1984 quota on raw silk is 400 bales less than this year's quota and that on silk yarn remained unchanged. Both sides agreed to hold their next talks in Tokyo next year to set Japan's imports of raw silk and silk yarn produced in 1983. [Text] [Seoul YONHAP in English 0115 GMT 3 Dec 83 SK]

EXPORT FIGURES--Seoul, 9 Dec (YONHAP)--The competitive edge of South Korean firms lags behind that of their Asian rivals in terms of wages and prices, a survey by the Korean Traders Association said Thursday. The survey said wages increased 13.8 percent in the first half of this year. The figure compares with a 4.6 percent increase in Taiwan and a 4.7 percent rise in Japan. Prices have declined 0.7 percent as of the end of September. However, the size of the decrease remains far less than that of Singapore (2.5 percent) and Japan (1.8 percent). As of the end of October, the survey said, Taiwan registered the highest export expansion rate, 11.3 percent, followed by Korea (8.1 percent), Singapore (3.4 percent) and Japan (3.1 percent). [Text] [Seoul YONHAP in English 0150 GMT 9 Dec 83 SK]

KUWAIT-SOUTH KOREA--Seoul, 10 Dec (YONHAP)--A five-year agreement for economic and technical cooperation as well as for closer trade relations between South Korea and Kuwait will go into force 1 February 1984, the Foreign Ministry said Saturday. The Korean and Kuwaiti Governments exchanged notes on 4 December, notifying one another of completion of domestic procedures required for the agreement to take effect, the ministry said. The two nations will strengthen bilateral relations through the expansion of trade and the promotion of economic and technical cooperation under the agreement, the ministry added. [Text] [SK120516 Seoul YONHAP in English 1205 GMT 10 Dec 83]

COMMODITY EXPORTS--Seoul, 12 Dec (YONHAP)--South Korean commodity exports are expected to reach an excess of 100 million U.S. dollars over this year's export target set at 23.5 billion dollars, the commerce-industry said Monday. The nation's exports in the first 11 months of 1983 totaled 21.6 billion dollars, up 11 percent from a year earlier, a Commerce-Industry Ministry tally showed. This year's export growth rate averages 10.9 percent showing a 2.2 percent increase over that of 1982 with 8.7 percent. During the first 10 days of this month, exports amounted to 570 million dollars, up 68.7 percent from the same month in 1982, the tally said. [Text] [Seoul YONHAP in English 1214 GMT 12 Dec 83 SK]

PETROCHEMICAL PLANT--Seoul, 20 Dec (YONHAP)--South Korea's petrochemical company Lucky Ltd announced Tuesday that it has signed an agreement in Riyadh Monday with the Saudi Basic Industries Corp. (SABIC) to build a petrochemical plant in Saudi Arabia. A spokesman for the company said the plant, to be built in al-Jabail, Saudi Arabia's main industrial complex, will produce 300,000 tons of vinyl chloride monomer (VCM) resin and 200,000 tons of polyvinyl chloride (PVC) resin annually. Lucky and its Arabian partner will invest 420 million U.S. dollars to construct the plant. Construction will start early next year and be completed by the end of 1985, he said. The plant will be the first petrochemical plant to be built by a South Korean company in a foreign country, he added. [Text] [Seoul YONHAP in English 0253 GMT 20 Dec 83 SK]

EXPORT TO PHILIPPINES--Seoul, 24 Dec (YONHAP)--In a government-to-government deal, South Korea is expected to export textiles, steel and fertilizer worth between 100 million and 200 million U.S. dollars to the Philippines on a six-month deferred payment basis, government sources said Saturday. The deal was suggested by U.S. President Ronald Reagan during his visit to South Korea in November as part of efforts to aid the Philippine economy, the sources said. The sources said South Korea has studied the offer "positively." The island nation has asked that the exports be made by year's end, they added. [Text] [Seoul YONHAP in English 0558 GMT 24 Dec 83 SK]

TRADE WITH JAPAN--Seoul, 28 Dec (YONHAP)--The Korean Chamber of Commerce and Industry has demanded that Japan lower its tariffs and reduce trade restrictions affecting a number of Korean-made products. In a research report released Wednesday, the chamber also called on Japan to expand the scope of its generalized scheme of preference (GSP) for Korean products and to remove various non-tariff barriers. The scheme has been limited to agricultural products and some industrial products. Pointing out that Japan has devoted its exports to Korea in labor-intensive and pollutant industries, and that its investment in Korea was rather small per project, the report emphasized Japan's future investments, either direct or joint ventures, should be targeted at those sectors which spearhead development. [Text] [Seoul YONHAP in English 0200 GMT 28 Dec 83 SK]

CSO: 4100/041

BRIEFS

METALS RESEARCH CENTER ANNIVERSARY--A report meeting marking the 20th anniversary of the formation of the Research Center of Nonferrous Metals [yusaek kumsok yonguso] of the Academy of Sciences was held on 25 December in the field. Present at the meeting were Comrade Yi Kun-mo, alternate member of the Political Bureau of the WPK Central Committee and responsible secretary of the Nampo Municipal Party, and personages concerned, including, Choe Hwa-chun, deputy director of the Academy of Sciences, together with scientists, technicians, and workers of this research center. In the meeting, Comrade Yi Kun-mo conveyed the messages of greetings from the WPK Central Committee and the DPRK Government to the scientists, technicians, and workers of the Research Center of Nonferrous Metals of the Academy of Sciences. A report followed. A letter of pledges was adopted at the meeting. [Text] [SK280132 Pyongyang Domestic Service in Korean 2300 GMT 25 Dec 83]

CSO: 4110/056

N.KOREA/KOREANS IN JAPAN

PYONGYANG RADIO CARRIES KIM IL-SONG, HAN TOK-SU NEW YEAR'S MESSAGES

Kim Il-song Greet's CHONGNYON Chairman

SK050145 Pyongyang Domestic Service in Korean 2200 GMT 31 Dec 83

[Text] The great leader Comrade Kim Il-song sent a message of greetings to Comrade Han Tok-su, chairman of the CHONGNYON Central Standing Committee, greeting the New Year 1984. The message of greetings reads as follows: To Comrade Han Tok-su, chairman of the CHONGNYON Central Standing Committee: Greeting the hopeful New Year 1984 which will be adorned with new victory and glory, I extend fervent congratulations and warm greetings to all functionaries of the CHONGNYON, including comrade chairman, and 700,000 Korean residents in Japan.

The year 1983 was a year of rewarding struggle in which great progress was registered in all fields of the revolution and construction in our country. It was also a significant year in which another brilliant chapter was adorned in the brilliant history of our fatherland.

Last year we splendidly celebrated the 35th anniversary of the founding of the DPRK--the glorious fatherland--with lofty national dignity and pride and, thus, widely demonstrated the indomitable might of our people who are firmly rallied around the WPK and the government of the republic.

Our heroic working class and all working people who are infinitely faithful to the party and the revolution attained great success in the struggle to complete the Second Seven-Year Plan and to carry out the 10 long-range goals of socialist economic construction by vigorously waging the movement to create the speed of the 80's.

The South Korean people dealt great blows to the colonial and fascist rule by the U.S. imperialists and their stooges by valiantly waging a massive struggle for national sovereignty, democratic rights, and the independent and peaceful reunification of the country even under the unprecedented fascist oppression.

Even under difficult conditions in an alien country, functionaries of the CHONGNYON and compatriots in Japan attained brilliant success in the patriotic work of the CHONGNYON by highly demonstrating patriotism and devotedness.

In the surging enthusiasm of all compatriots in Japan and the warm wishes of the people in the fatherland, last year, the CHONGNYON successfully held the 13th Congress, put forward new struggle tasks, and opened an important occasion in developing the movement of Koreans in Japan to a new higher stage.

In conformity with the realistic demands of the movement of Koreans in Japan, the CHONGNYON firmly established the chuche-oriented ideological system within the organization, firmly rallied the functionaries and compatriots around our party and the government of the republic, and firmly consolidated the organizations of all levels organizationally and politically.

In particular, the CHONGNYON made epochal progress in establishing a firm foundation for the future development of the movement of Koreans in Japan by educating functionaries and compatriots so as to have them infinitely trust our party and to sincerely follow it. This was the most valuable success attained by the CHONGNYON in further deepening the modelling of the ranks of CHONGNYON organizations on the chuche idea and in developing the movement of Koreans in Japan generation after generation.

The CHONGNYON organizations and compatriots in Japan made a great contribution to expediting the cause of national reunification by checking and frustrating the nation-splitting and new war provocation maneuvers of the U.S. imperialists and the South Korean puppet clique and by actively supporting and encouraging the righteous struggle of the South Korean people for independence, democracy, and reunification.

Highly estimating the fact that last year all organizations and functionaries of the CHONGNYON successfully fulfilled their heavy mission, courageously overcoming all trials and difficulties, I extend deep thanks to all CHONGNYON functionaries and 700,000 compatriots in Japan.

The overall situation today urgently demands that functionaries of the CHONGNYON and compatriots in Japan work and live with a more strained posture and effect a new upsurge in their patriotic work.

The U.S. imperialists are unscrupulously staging their maneuvers for aggression and war all over the world. In particular, frightened by the daily growing might of the northern half of the republic and the expanding and developing anti-U.S. and antifascist struggle of the South Korean people, the U.S. imperialists and the South Korean military fascist clique are viciously and unprecedentedly staging anti-republic and antireunification rackets, while accelerating war preparations. Thus, they have made the situation in and around our country more tense.

All CHONGNYON functionaries and compatriots in Japan should proficiently cope with the prevailing situation with firm confidence in the victory of our revolution and should brilliantly carry out the honorable tasks assigned them by more firmly grasping the policy of modelling CHONGNYON organizations on the chuche idea.

In the New Year the CHONGNYON should direct primary attention to the work for more firmly establishing the ideological system of chuche within its organizations and should continue to push ahead with this work.

What is most important in establishing the ideological chuche system within organizations is that all functionaries have a firm revolutionary outlook on the world. The CHONGNYON should firmly arm all functionaries with the chuche idea and our party's policy and further train them through the practical struggle to help them firmly establish the revolutionary world outlook of chuche. Thus, the CHONGNYON should see to it that all functionaries devotedly struggle for the completion of the revolutionary cause of chuche under all difficult circumstances with a firm faith in the fatherland and the party and with an indomitable revolutionary spirit.

The CHONGNYON should firmly build up the ranks of cadres and the ranks of core elements in the organizations at all levels with functionaries faithful to the fatherland and the party, in particular, exert more efforts to strengthen branches and chapters so as to make all basic organizations into active and vigorous organizations which always act among the compatriots, and, thus, consolidate the mass foundation of the CHONGNYON.

The future of the CHONGNYON and the future development of the movement of Koreans in Japan depend upon not only the work with young compatriots of the new generation but also the work to foster the growing new generations.

Therefore, the CHONGNYON should direct major efforts to the work with young compatriots of the new generation to firmly prepare them as fervent patriots, true chuche type revolutionaries.

Along with this, by directing much efforts to the work of national education, constantly expanding the ranks of students, and promoting the quality of education to a higher stage, the CHONGNYON should thoroughly foster the growing new generations to become reliable successors to the patriotic work of the CHONGNYON.

Struggling for the independent and peaceful reunification of the fatherland is the most important task facing the CHONGNYON and compatriots in Japan. The CHONGNYON should vigorously struggle to realize the proposal for founding the Democratic Federal Republic of Koryo set forth by our party and actively support and encourage the South Korean people's struggle against U.S. imperialism and for independence through all compatriot-wide patriotic movement.

The CHONGNYON should develop the friendship with the Japanese people, strengthen solidarity with the peoples of various countries of the world, and, thus, greatly contribute to creating an international climate favorable for national reunification.

Believing that the CHONGNYON will successfully fulfill its patriotic work by fully displaying loyalty to the fatherland and the party in the New Year, I wish CHONGNYON functionaries, including comrade chairman, good health and all compatriots in Japan happiness. Kim Il-song, president of the DPRK. 1 January 1984, Pyongyang

CHONGNYON Chairman Greets Kim Il-song

SK050221 Pyongyang Domestic Service in Korean 0000 GMT 1 Jan 84

["Message of Greetings" to Marshal Kim Il-song from Han Tok-su, chairman of the Central Standing Committee of CHONGNYON, on the New Year 1984--read by announcer]

[Text] To the respected leader Marshal Kim Il-song, the sun of the nation and the tenderhearted fatherly leader of 700,000 Koreans in Japan: We are greeting the first sunrise of the hopeful New Year 1984 which will be brilliantly embroidered with a new solemn struggle and advance under the bright banner of chuche illuminating the entire world.

The Central Standing Committee of CHONGNYON extends its highest honor and warmest congratulations to the great leader Marshal Kim Il-song, the genius of the revolution, the sun of the nation, and the tenderhearted fatherly leader of our people and Koreans in Japan, reflecting the deep reverence and boundless loyalty of the entire CHONGNYON functionaries and Korean residents in Japan on the New Year.

Greeting the very significant New Year which will register a new brigher prospect in our people's revolutionary struggle and in the development of the Korean residents' in movement in Japan, the entire CHONGNYON functionaries and Korean residents in Japan are filled with a great, boundless pride and happiness for dedicating themselves to the patriotic cause by upholding the great leader Marshal Kim Il-song and the glorious party center who are wisely leading all of us only to victory and glory.

The year 1983 was a brilliant one which demonstrated to the entire world the invincible strength of our people firmly united around the great leader and the glorious party center with one idea and one will.

The celebrations marking the 35th anniversary of the founding of the DPRK, the glorious fatherland, which were held with splendor amid deep emotion and great pleasure of all the Korean people and warm congratulations by all progressive people of the world, were great political events which contributed to remarkably promoting the international position of the chuche fatherland, brightly illuminating in the glorious history of our people's revolutionary movement.

The magnificent position and honor of our fatherland and people, which were warmly blessed and acclaimed by 270 delegates and delegations who came from 116 countries in the five continents of the world, crossing continents and oceans, were a concentrated expression of the international authority and prestige highly cherished by the great leader toward the world's revolutionary people.

The people in the fatherland registered new great upsurges in all fronts of socialist construction by persistently waging the struggle for creation of the

speed of the 80's under the banner of the three revolutions. They laid a firm foundation for the successful attainment of the Second Seven-Year Plan and the magnificent 10 long-range goals in socialist economic construction.

At a time when the great leader's profound idea for great nature-remaking projects is being embodied, the great monumental creations, which will promote the economic strength of chuche Korea and provide happiness for all the generations to come, have been built, demonstrating their grand appearance.

Even under unfavorable weather conditions last year, the agricultural workers in the fatherland reaped a bumper harvest in all cooperative farms by thoroughly implementing the chuche agricultural method along the road indicated by the agricultural thesis advanced by the great leader. B

Boundlessly encouraged by the successes in socialist construction in the northern half of the republic, the South Korean people [words indistinct] the beaconfire of just patriotic struggle more highly last year to put an end to the U.S. imperialists' colonial rule over South Korea under the banner of the anti-U.S. cause for independence, to achieve social democracy, and to achieve the cause of national reunification. The U.S. imperialists and their stooges, further driven to the wall due to fierce resistance of the South Korean people, worked out mean and shameless international intrigues and frantically adhered to unheard-of anticommunist and anti-republic rackets and to splittist maneuvers. However, they rather exposed their true colors as warmongers and nation-selling traitors to the entire world, thus, facing stern denunciation and protests of the world.

Marshal Kim Il-song, the most tenderhearted fatherly leader, last year, you wisely guided CHONGNYON and the Koreans in Japan and took warm care of them so that they could rush along the road of new innovation in the patriotic movement for the prosperity of the homeland and the nation.

You, the great leader, sent a congratulatory message to the 13th Congress of CHONGNYON, highly spoke of the successes and exploits of CHONGNYON and Koreans in Japan in their work, clearly indicated the road of the patriotic movement and the orientation of the work of the congress, and, thus, made the congress shine as a new landmark in the development of the movement of Korean nationals in Japan.

You, the fatherly leader, called the chairman and various delegations of CHONGNYON to the homeland, gave precious teachings and clearly indicated the road ahead of CHONGNYON and Koreans in Japan and awarded our functionaries and other compatriots with honors and medals of the founding of the republic and honorary titles.

You, the respected leader, greatly encouraged us by sending a large sum of educational funds and stipends for the democratic, national education of Korean children in Japan and sending to Japan the world-famous Pyongyang School Children's Art Troupe and various delegations of the homeland. Your benevolent love and care are beyond comparison in the world.

Last year, thanks to tenderhearted guidance of you, the fatherly leader, we could register new successes in the movement of Korean nationals in Japan through a vigorous concentric drive to implement the decisions of the 13th Congress of CHONGNYON.

Continuously and vigorously adhering to the policy for the chuche-orientation of CHONGNYON, we effected an epochal advance in the work of more firmly establishing the chuche ideological system within the organizations last year. Cherishing the invariable loyalty to the great leader and the glorious party center, functionaries and compatriots vigorously rose up in the struggle to tenaciously safeguard the socialist fatherland.

We consolidated the ranks of the cadre members organizationally and ideologically and strengthened branches and chapters of CHONGNYON. We also further expanded and consolidated CHONGNYON's mass foundation by directing great attention to the work with the young generation.

We firmly defended the organizations of CHONGNYON by resolutely rejecting the frantic anti-republic and anti-CHONGNYON intrigues and maneuvers of the reactionaries at home and abroad, developed the democratic, national education of Korean compatriots in Japan, and protected their various rights.

At the same time, we thoroughly exposed and denounced new war provocation maneuvers of the U.S. imperialists and their stooges which are becoming more violent with each passing day, actively inspiring the patriotic zeal of Korean nationals in Japan, and ardently supported and encouraged the anti-U.S. struggle for independence and antifascist struggle for democracy by the South Korean people. Thus, we advanced more vigorously the mass movement to achieve the independent and peaceful reunification of the nation.

Greeting the significant New Year, we are filled with loyal determination to open a new epoch of upswing in our patriotic movement in keeping with the grand onward movement of the people in the homeland upholding the great leader Marshal Kim IL-song's programmatic teachings.

We will first of all implement more thoroughly the policy of modelling CHONGNYON on the chuche idea and deepen the work of establishing the ideological system of chuche in CHONGNYON so as to make CHONGNYON functionaries and Koreans in Japan ardent chuche-type revolutionaries and true patriots who would in any adversity remain invariably and boundlessly faithful to you, the great leader, and the glorious party center.

By decisively strengthening branches and chapters and enhancing their role and functions, we will unite a large number of new generations who would shoulder the tomorrow of the movement of Koreans in Japan and broad segments of Koreans in Japan into the patriotic ranks.

We will reliably defend the socialist homeland, firmly safeguard the CHONGNYON organization, and more thoroughly champion the democratic, national rights of Koreans in Japan, determinedly smashing at every step the subversive activities of the domestic and foreign reactionaries.

The cause of national reunification is the greatest national desire and an important mission of CHONGNYON. By firmly uniting the broad Koreans in Japan into the banner of the anti-U.S. cause for independence, we will decisively frustrate the new war provocation moves of the U.S. imperialists and their stooges, actively support the righteous patriotic struggle of the South Korean people, and further develop friendship and solidarity with the Japanese people and the world's progressive people.

For the achievement of the independent and peaceful reunification of the fatherland, for the victory of the chuche cause, and for the prosperity and happiness of all people and posterity, we respectfully wish the respected leader Marshal Kim Il-song, the genius of the revolution, the sun of the nation, and tenderhearted father, good health and a long life.

Han Tok-su, chairman of the Central Standing Committee of CHONGNYON , 1 January 1984, Tokyo, Japan

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